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**Project – General Title:**

**VALUE, MONEY AND CREDIT IN ANCIENT GREEK MARKET ECONOMY**

**Proposal for the Continuation of the Work**

**VOLUME II: MONEY AND PROGRESS - THE ORIGIN OF MONETARY ECONOMY**

**VOLUME III: MONEY – POWER – KNOWLEDGE**

**THE FINANCIAL MARKET IN CLASSICAL ATHENIAN ECONOMY**

(provisional titles)

## OBJECT AND SCOPE OF RESEARCH

The initial project of a novel and innovative inquiry on “Money and Credit in Ancient Greece Economy” had to be greatly expanded and thoroughly reorganized for various converging reasons.

To begin with, selective coverage of the sources, uncoordination, or defective coordination, of all pertinent aspects in the composite picture delineated, and radical controversies regarding even relevant fundamentals, these features standardly characterizing traditional studies of the field, betray significant deficiencies in the factual adequacy of current presentations and, more importantly, theoretical confusion and conceptual inappropriateness in the analytical apparatus utilized and in its application.

Then, as a result of this state of affairs, the required truly basic research into the financial sector of classical economy necessitated full analysis of the interrelationship between “cultural framework” and economic activity in ancient Greece – understanding by the former principally the valuation structure of human action (the operating value-system). Thus, the problem of economic value has to be addressed in its most general terms of definition, and be correlated to value as (positive) index of man’s motivation and finality, of his graduated correlation (hierarchy) of ends.

Furthermore, the general form of patterns of human intercourse within the social nexus in classical antiquity must be elucidated so as to reveal the continuity (or otherwise) of economic interplay to other types of interrelationship. Central to this clarification is the emerging definitive prevalence of markets in human interactive structures of that era at a most fundamental level of determination.

These intrinsic demands for an in-depth understanding (a philosophical theory) of value and of market, both in the stricter economic acceptation of the terms, and in broader corresponding meanings, are reflected in the final general title for the complete project: "Value, Money and Credit in Ancient Greek Market Economy".

Finally, for fullness of treatment and, also, for far reaching methodological reasons broached in the introduction to the published first volume of my work, the study had to be split into three parts. *Theory, actual reality* and *history* of basic financial economic phenomena in their essential natures are in intimate and objective interconnection. So one part, the first, of the study is devoted to the philosophical theory of economy in its financial dimension in classical antiquity. Another, the third, will provide a detailed analysis, with regard to the same dominant perspective, namely its financial structure, of the most developed and best performing *actual classical economy*

, that of Athens at her time of power and hegemony. In between, the second part will examine the origin of monetary economy. Thus the entire inquiry is conceived on a unified basis in a tripartite form answering to the intrinsic coherence of the three aspects of financial reality – its theoretical conception, actual working and historical generation –; a coherence which analytically sheds light on each one of its aspects by the enhanced understanding of any one among the other two.

The SECOND VOLUME will be a thorough study of *origins*. *Where* and *when* and *how* was money introduced into the economic operations of man as a means of exchange? Vibrant and complex economies preexisted, consisting in (or, in other cases, at least comprising) highly developed and densely interlinked internal market processes and networks, with substantial productive and distributive differentiation of functions (division of labour, competitive allocation of resources, degrees of entrepreneurial efficiency, etc.), and, furthermore, enjoying intense interior trade and brisk external commerce. But yet they lacked a settled, universal medium of exchange, in the sense of a commonly accepted (legally binding or customarily valid) tender for the discharge of all debts, private and public.

The aim is, consequently, to discover under which conditions, for what purposes and by what causes, the characteristically monetary function was instituted in the form of currency, thereby also, transforming an imprecise, and multiple, notion of valuation (amount of value) into exact measurement of value as definite price. The significance of the consequent emergence of a unique concept and reality of full money, integrating all monetary functions into a single, unified focus for the entire economic field, will be analyzed in depth. What will have in particular to be carefully examined is the importance in this connection of the fertile interface in Western Anatolia between on the one hand the dynamism of aggressively individualistic mentality, geared to excellence and success, in the major maritime Greek city-states, and on the other hand of a politically integrated large space (a powerful inland empire) simultaneously rich in resources (construction and textile stuffs, food staples, minerals, chiefly, among many kinds of raw materials) and also ample in consumptive demand for works of human industry and expertise, goods and services of a more elaborate kind. The timing also, as well as the placing, just before the creative wave that bore to light philosophical thinking, was also eminently pregnant. The monetization of economy acted as a catalyst ushering the rapid transformation of society required for a higher level of human development. It may be profitably studied as part of the grand surge towards the natural rationalization of man's existence, action and production, which led to a uniquely heightened pace of progress, starting at the periphery and being diffused to the center of the Greek world. Alternative, competing accounts (ancient and modern) of the origin of money and currency will be critically examined in detail against both the available empirical data (the evidence of coin hoards primarily) and the theoretical results obtained from the argument in the first part of the work. The choice of the money-commodity will be investigated: eventual silver and gold monometallism in the Greek and Oriental worlds respectively, developed apparently out of a peculiar original bimetallism (electrum coinage of the interface zone). Questions of typology and metrology of early coinage, and the layers of their significance, will be attended to in detail. Finally, the first phase of, and the major stages in, the history of money after its institution, will be investigated as an introduction to the full analysis of the most developed financial structures in Classical Athens, which will follow in the final part of the work.

The THIRD VOLUME concluding the work will be an exhaustive study of *achievements*: an inquiry into the perfection of the monetary and credit system as developed in the context of classical Hellenism

. Although all leading cases of significant economic development will be covered (Miletus, Corinth, Aegina in particular), the analysis will focus on the Athenian success story. The reasons for this emphasis are,

*first*

, the wealth of relevant and broader information available in the case of Athens, which far exceeds what can be certainly or plausibly known about all other city-states put together.

*Secondly*

, the up to then unprecedented intensity and complexity of economic activity at the Attic flourishing time.

*Thirdly*

, the unparalleled economic freedom in the overall working of the market system at that period.

*Fourthly*

, the fact that the Athenian economy was eminently international in crucial respects. Athens having also established a zone of remarkable economic integration and monetary union under her hegemony (with common currency her own coinage, which, furthermore, served as a universal medium of exchange and store of value, even within the Persian Empire).

*Fifthly*

, there obtained in Athenian high classicism (5<sup>th</sup>

century B.C.) an

*archetypally*

close association between vigorous economic growth, politico-military might and superior cultural production, between money, power and intellectual capital – in actual realization of the principle expounded theoretically in the first volume concerning knowledge as the ultimate source of power and wealth.

The analysis in the third volume will cover the nature and function of the money adopted in classical economies; its supply (including the production of the physical commodity in which it materially consisted); its value (in purchasing power) and the general stability of prices; interest rates and return on capital employed; the state of total financial unregulation (with respect to the quantity of money and the interest rate of indebtedness) involving the nonexistence of even a

Central Bank or any governmental regulatory body; the banking system and the role, structure and extent of credit in the real economy; the pattern for the demand of money, for consumption, saving and investment; monometallism and the gold to silver value curve; exchange rates in a perfectly free money-market environment; self-adjustment of the optimum quantity of money; questions of monetary policy (characteristically: Solon's reform; the Decree of Common Currency for the Athens dominated area of integration; Currency-Unions of other City-States; the Decree concerning Validation of Counterfeit Currency). Sustained analysis will aim to unravel the factors weaving an economy in true general dynamic equilibrium, a practically ideal illustration of the theory of natural systems (with no constraints in their freedom of movement) philosophically articulated in the first volume of the work.