

OSTROM WORKSHOP COLLOQUIUM SERIES

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“Engineering the Rule of Law in Ancient Athens”

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12:00–1:00 PM • Ostrom Workshop, 513 N. Park



Scholars typically regard the “rule of law”—a stable and predictable process by which laws are implemented, enforced, and changed—as a cornerstone of good governance and a key factor supporting economic growth. Yet much remains unknown as to why only some societies have successfully established the rule of law in a durable and reliable form. In this paper, we develop a model in which the value of using a stylized “law” to constrain future majority-rule decisions depends on expectations about the way new information (in the form of random shocks) will influence both the net social benefits and the distributional consequences of policy decisions. We apply the model to what was perhaps the first rule-of-law state: Athens in the 4th century BCE. The Athenians established a rule-of-law system after operating quite successfully without one in the 5th century BCE. Athenians chose to adopt the rule of law, we argue, because losing the Peloponnesian War eliminated a major source of wealth (tribute payments from the Delian League), thereby increasing the importance of voluntary exchange and complex contracts.



F. Andrew Hanssen is professor of economics at Clemson University. His research includes institutions, law and economics, political economy, and industrial organization. He has published more than two dozen articles in refereed journals and more than a dozen monographs and book chapters. He is on the editorial boards of the *International Review of Law and Economics* and *Social Science Quarterly*. He spent a year at the Antitrust Division of the U.S. Department of Justice, and was a National Fellow at Stanford University’s Hoover Institution. He received his PhD from the University of Chicago ([website](#)).

Presentations are open to the public and are live streamed (see our website for URL and papers). You are welcome to bring your lunch. For questions, contact Allison Sturgeon (sturgeon@iu.edu; 812/855–3151).



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