An interdisciplinary comparative analysis of ancient and modern federations. What can we learn from the past?*

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Abstract: In the present essay we introduce a set of criteria, democratization and cohesion, consisting each of a further four sub criteria. We analyse why these criteria are important for the evaluation of federations: they permit as to proceed to a ranking of federations, which again brings us to results as to their stability and durability. We then present a less well-known federation, the ancient Greek Aetolian one. Next we present 16 federations in total (the Aetolian federation and 15 modern federal states), according to their institutional set up (in table form) the eight sub-criteria, and their actual ranking. Finally, we end with our conclusions and proposals by arguing the Greek federation could be used as a benchmark for our modern societies concerning the issue of making democratic institutions more efficient and powerful.

1. Introduction

The analysis of federations, their structure and institutional setting is an issue that has raised and still raises considerable interest among philosophers, historians, political scientists and economists. Currently, there are 28 cases of federal states throughout the world (figure 1, see in green colour), many of which such as the USA, Germany, India, Russian Federation, Switzerland etc., play a leading economic and political role in global affairs. Interesting also, federations tend to be, from ancient times to today, in general, democratic as against other forms of government during each period.

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In the present essay, we focus mainly on two issues: First, we attempt for the first time as far as we know, a comparative structural-institutional analysis of federations, starting from one of the historically oldest recorded federal structures, the Aetolian ancient Greek “proto-federation”, to series of modern federal democratic states which play a major role in global political and economic affairs such as the USA, Germany, Switzerland, Russia and India, trying to find similarities and differences which we summarise in tables.

Pic. 1: Federal states all over the world


The basic idea of such an comparison, through an interdisciplinary perspective, is to see if the political and economic institutions of the ancient federation could offer any suggestions in favour of developing further our modern societies. For example, to re-think the issue of the quality of democracy through citizen’s political participation under direct democracy procedures or to see what bonds of trust are important for shaping a federal state, for example, what institutional mechanisms must be developed for the further EU’s politico-economic integration into a federal state.

1 We owe the term “proto” in the original Greek meaning of the word, “first”, since the ancient Greek federations are the first fully developed ones
Many political thinkers consider direct democracy (direct political participation) as most pure form of democratic governance. The concept of direct democracy fully consorts with the famous quote of President Abraham Lincoln: “Government of the people, by the people, for the people”. Institutions that accompany direct democratic procedures are among others, initiatives and referenda.\textsuperscript{2}

Although the issue of federalism in ancient Greece is not very well-known, so far there is a substantial and growing literature especially the recent years on the issue. Some important and seminal contributions on the issue are attributed, among others, to E.A. Freeman ([1893], 2013), to many related academic papers by J.A.O. Larsen, whose contribution culminated with his book *Greek Federal States* in 1968, and Walbank (1976-1977). More recent literature includes among others Beck (1997), Grainger (1999), Rzepka (1999), Scholten (2000), Mackil (2013), McInerney (2013), Beck and Funke (2015), Economou, Kyriazis and Metaxas (2015). Since the 5\textsuperscript{th} century BCE, we have at least 12 democratic federations (each one including many city-states), among them, the Achaeans, the Aetolian\textsuperscript{3}, the Boeotian, the Arcadian and the Aenianian (see among others, Mackil 2013; Beck and Funke 2015; Economou, Kyriazis and Metaxas 2015 and Economou and Kyriazis 2016).

In this paper we chose to analyse the Aetolian federation and then compare it to a series of modern federal states. The selection of this particular federation among others, happened not arbitrarily, but intentionally, since both ancient sources and the modern literature offer us a sufficient amount of data which, if treated accordingly, it can efficiently describe the main politico-economic and institutional mechanism of the ancient federation.

In order to perform such a comparison we propose a set of criteria under two main categories: democratization and cohesion, according to which we proceed to a ranking

\textsuperscript{2} An initiative is a process that enables citizens to bypass their state legislature by placing proposed statutes and, in some states, constitutional amendments on the ballot. See http://www.ncsl.org/research/elections-and-campaigns/initiative-referendum-and-recall-overview.aspx. A referendum is a direct democratic procedure of voting where the entire electorate is asked to vote on a particular proposal. If the proposal is adopted, it becomes a new state law. For initiatives and referenda see among others Cronin (1999), Altman (2010), Bookchin (2015) and Qvortrup (2015, 2016).

\textsuperscript{3} The Aetolian Federation for example, comprised more than 40 city-states as federal member states (see Russel and Cohn 2012).
of federations. The democratization category criteria concern citizen’s participation in decision making at federal level, and thus, are a political issue. The cohesion criteria are economic. The use of these criteria permits to construct a ranking of federations. This, we suggest, is important because it permits (through the comparison of the federations and their political and economic performance) us to come to conclusions as to what determines longevity, durability and stability of federations. This again, allows making some policy proposals to ameliorate the institutional set-up of existing federations that could move towards a federal political formation, like present day European Union (EU). We analyse the above focusing on common norms and values, such as community of interest and concord upon which the federations were/are based, both as ideas but also in practice.

The essay is organized as follows: First we present in brief the Aetolian federation, as one of the first examples of modern ones, which may be less known to readers. Then we present the two sets of criteria, democratization and cohesion which are divided into four separate criteria for each case: Legal equality, Equality to speak and to propose, Political equality, Equality of political and economic rights within the federation for the democratization criterion and Monetary Union, Federal budget, Common market, economic freedoms and common regulations, Common External and Defense Policy for the cohesion criterion. Finally, we proceed with an interdisciplinary institutional comparison of the Aetolian Federation, with other 15 modern federal democratic states, selected among developed and developing countries. We proceed to the ranking of the chosen federations, followed by our conclusions and proposals.

2. The Aetolian proto-federation. The historical background in brief

As it was argued on the introduction, federalism proved to have been an extensive phenomenon in ancient Greece that flourished particularly during the Hellenistic period (323-146 BC). Mackil (2013: 1 and note 3) and Beck and Funke (2015:3) have calculated that up to forty percent (or even more) of all city-states at the end of the Classical Period were associated with a federal political structure.

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4 For some recent extended analysis as far as the Aetolian Federation is concerned see among others Mackil (2013) and Economou, Kyriazis and Metaxas (2015).
The oldest text which mentions Aetolia is Homer’s *Iliad* where in book II many series of cities of those who provided ships for the Troy Campaign of the Greeks are mentioned. Despite the fragmentation of the Aetolian people in subtribes, they did not lose their ethnic cohesion (Thuc. Hist. 3.94.1-3.98.5; Bucke and Funke 2015: 87).

On the contrary, during the next centuries, not only in Aetolian, but also throughout the Greek world early tribal and local neighbouring communities of people glued together, they increased their collaboration and they “*glued together by legislation, representative governance of citizenship, regulation but also by the sense of ethnic togetherness and the expression of this identity as a tribe and cult and ritual*”. (Beck and Funke 2015: 25). These common practices in religion, festivals and other expression of common social life and other cultural expression of ethnic cohesion demonstrated the binding force of collaboration and the cultivation of a common culture consciousness between local communities throughout the region of Aetolia (Ma 2003; Funke 2013: 12; Beck and Funke 2015: 25).^5^

During the third quarter of the 4th century BCE many Aetolian city-states (seeing all the region with purple colour in picture 2) decided to further extend their regional collaboration by forming a federal type of state. Except the above reasons which played a crucial role for the gradual unification all the Aetolian region, the primary motivation was defense necessities (Larsen 1944, 1962; Funke 2013: 9-12; Economou, Kyriazis and Metaxas 2015). In other words, geographically, Aetolia was between some strong Greek political entities of the era, the Achaean Federation^6^ and Sparta and in the south (in today’s Peloponnese) and Macedonia in the north (Larsen, 1952; Grainger, 1999). This means that in order to avoid a situation of “reduced national sovereignty” or becoming protectorates of one or some of the powers mentioned above, the Aetolian cities had to cooperate more efficiently and extensively.

Not only the united Aetolian state came true, but it developed into a federal structure very rapidly (Funke 2015: 96, 98-99). One he/she could ask why the

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5 Bucke and Funke (2015: 25) mention an extra reason, which is related to the social networking of local aristocracies and their competition at regional athletic games.

6 It must be said both the Aetolian and the Achaean Federation (389-146 BCE), being also neighbouring states (see pic. 2) had similar democratic political and economic institutions and they are regarded as two of the most powerful federal entities in ancient Greece (Mackil 2013; Economou and Kyriazis 2016).
Aetolian city-states did not proceed only in forming a mere military alliance as those of the 5th century, the Delian League (with Athens being the strongest power) and the Peloponnesian League (with Sparta being the leader) which had been proved both successful, at least for a period of time.

Why the Aetolians proceeded in a step further, which is to create a federation? Far from the cultural and social bonds and the security necessities that have already mentioned, on we will argue that the economic collaboration between the member states proved beneficial to the Aetolian city-states since after the second half of the 4th century BCE, city-states in Lokris, the Malian, Dolopian ‘nations’, and city-states in Phocis, as well as Acarnania, Thessaly, some Cycladic island city-states and even
Kydonia in Crete voluntarily chose to be part of the federation (Thompson 1939; Larsen 1975; Rzepka 1999).

Although practices and policies of joint Aetolian federal action can be traced back as even to the Peloponnesian War period (431-404 BCE) the verification (with written proof) of the existence of the Aetolian state comes from an Athenian decree (through the codified inscription SEG 15.90) which is dated to 367 BCE and describes the Athenian *Council of the Five Hundred* as being responsible to send a herald immediately at the Aetolian *Koinon*\(^7\) (Funke 2015: 90).

As of 290 BCE, the Aetolian Federation had expanded over its neighboring regions as well as other areas throughout the Greek world. This means not only the federation united the Aetolian region but its rapid progress and advancement made other parts of Greece (even far distant city-states as some in the island Crete) to find it beneficial for them to voluntary join the federation. After the death of Alexander the Great, the Aetolians participated in the Lamian War (323-322 BCE), a coalition of south-Greek cities such Athens, the Aetolian Federation, Locris, Phocis, Argos and some territories of Thessaly to revolt against the Macedonian power in mainland metropolitan Greece. The Aetolians, having gathered a formidable force succeeded in maintaining their independence.

In 279 BC, they victoriously repelled a Gaul invasion, thus they successfully secured the famous sanctuary of Delphi as well as southern Greece. After this, they earned the appreciation of the rest of the Greeks and they were admitted as a new member into the Amphictyonic League, a prestigious ancient religious association of Greek tribes formed in the dim past, during the Archaic Period (750-510 BCE), a period where the formation of the Greek *polis* was still under the process of evolution.\(^8\) During the *In the Social War* (220-217 BCE), the Aetolian Federation fought against the Macedonia under king Philip V of Macedon invaded Aetolia and sacked the city of Thermion as a retaliation to the Aetolians' invasion at the city of

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\(^7\) The ancient Greek terms meaning the federal state was the *Koinon* (in pluperl *the Koina*) literally meaning “something in common”, in our case, the common identity and polity. Another expression was *sympoliteia, koine sympoliteia* both meaning joint polity. For these clarifications see Walbank (2010: 22-26) and Beck and Funke (2015: 14).

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\(^8\) For the rise of *amphictionies*, which may be seen as Archaic Period progenitors of ancient Greek federalism, one can see among others Brock and Hodkinson (2000: 25-26) and Forrest (2000).
Dodoni in Epirus. The federation was the first Greek state to have made an alliance of the Roman Republic, siding with the Romans during the First Macedonian War (215-205 BCE), aiding them to defeat Philip V of Macedon at the Battle of Cynoscephalae in 197 BC, during the Second Macedonian War. However, it was a short-lived alliance and only a few years later the federal sided with Antiochus III, the anti-Roman king of the Graeco-Macedonian Seleucid Empire, during the Roman-Syrian War.

The defeat of Antiochus in 189 BC and the inability of the federation to effectively resist in the Roman mingling in Greek politics (which were significantly affecting also the Aetolian politics) forced the federation to sign a peace treaty with Rome that made it a subject ally of the republic and after the defeat of the neighbouring Achaean federation by the Romans, Aetolia finally became a roman province, as it happened also with the rest of the Greek world.

3. **The political institutions of the Aetolian Federation**

The Aetolian Federation was comprised by three main political bodies. The first was the federal Assembly, (called Ecclesia) where each (male) citizen from every city-state could participate by having equal political rights to vote and to be elected under direct democracy procedures, independently of his city-state of origin. Thus the assembly was open to every citizen throughout the Aetolian dominion.

Inscriptions (SEG 338, line 7, ISE 78, lines 37-40) and modern literature (Holleaux 1905: 366-367; Larsen, 1952; Mackil 2013: 344; Funke 2015: 101-102) support the view that the assembly met twice per year, once every autumn at the capital of the Federation, Thermos or Thermion (in western Aetolia, the location of a sanctuary of the god Apollo) and once every end of the winter, in rotation, in one of the other city-states. The first pan-Aetolian assembly called Thermika, meaning taking place at Thermos) and the second Panetolika, meaning taking place in another federal city-state. In the Assembly decisions were being taken as far as important matters are

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9 For the Social War and the geopolitical antagonism of powers such as the Aetolian and Achaean and Federations, Macedonia, Sparta, the Hellenistic Kingdoms and Rome, which resembles a situation of “Hellenistic machtpolitik”. Fine (1940), among others, offers a very detailed analysis.
concerned, such as foreign policy, defense policy, state budget etc.\textsuperscript{10}

The second political body was the Federation’s Council, called Synedrion or Boule. It was a preparatory body which was responsible to set the agenda of discussion of the federal assembly (Larsen (1952: 9). The election of councilors did not take place directly on a federal level but in the individual member states which send to Federal Council a number of councilmen in proportion to their population (Polybius Histories 5. 15. 8; 18. 48. 5; Livy History of Rome 35. 34. 2-4; 36. 28. 8; Greenidge 2005: 231-235; Mackil 2013; Funke 2015: 2015: 102, 111).

This institutional arrangement is similar to modern practices such as for example, in the USA where members of Congress elected 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 introduction of the Federation’s Council offered the possibility of influencing politics at least indirectly as far as those people who were unable to attend and participate in the Federation’s annual assemblies.

Finally, as to the number of Councilmen, all the city-states, from the smallest to the bigger had the right to send a number of councilors as their representatives. Liby 45.28.7. reports an incident, the massacre of 550 the anti-Roman members of the Aetolian Council in 168/7 BCE. This mean that the Council comprised by much more members. Funke (2015: 112) offers an estimate approximately 1500 between the years 196-189 BCE.

The actual daily running of the Federation was entrusted to a committee of high ranking officials, the first in hierarchy being the strategos, (literally meaning the general), who was the Head of the State and who was combined both the duties of the political head and the head of the federal armed forces (Mitsos 1947; Scholten 2000: 26). He received foreign embassies and introduced them to the Council members, being thus also a modern quasi-foreign affairs minister (Grainger 1999: 416-419; Economou, Kyriazis and Metaxas 2015). He was assisted in his duties the hipparch (the cavalry commander) and the grammateus (the “public secretary”). These three officials were elected with one-year duties in during the workings of the two federal

\textsuperscript{10} There is a possibility that more than two pan-Aetolian assemblies were held each year in various federal city-states (Mitsos 1947). The ancient sources, the founded inscriptions and modern literature are dubious on this point. According to Busolt and Swoboda (1920-1926) extraordinary assemblies could be convened when necessary.
pan-Aetolian assemblies.

A very important duty of the government board (including the Strategos, the hipparch and the grammateus) was to preside in the working of the federal assemblies (Funke: 2015: 111). The rest of the members of the government executive board called *apokletoi* and they were selected by an inner committee of the federal council. They were also called *archontes* (meaning hi-ranking officials). The *apokletoi* assisted the General to his duties but they also had the right to supervise his decisions (Livy 35.35.5, 38.1.4; Polyb. Hist. 20.9.1, 10.11; Schwahn 1930; Larsen 1968: 200-202; Rhodes 2007: 286-291; Funke 2015: 112-113). This means that the *apokletoi* had checks and balances responsibilities upon the decision of the General and the other two highest officials in hierarchy (the *hipparch* and the *grammateus*).

Three important political arrangements concerning the political institutions of the Aetolian Federation are related to the political enfranchisement of its citizens and with the issue of *isopoliiteia* (single citizenship). As to the first, every citizen could be eligible for all magistrates, which means that all citizens were fully enfranchised and has unlimited access to all state offices (Funke 2015: 102).

Second, the Federation combined elements of direct democracy (the Assembly) and indirect (the Council) democracy, as one of the first historical examples to do so. The reason for the development of this dual system was to ensure that the participation of a large proportion of the federal citizens in the workings of the two federal assemblies would become feasible.

It is logical to believe that the more distant a city-state was from Thermos, the capital, the less possible would be for an ordinary citizen to abandon his daily work and wage in his city-state in order to participate in the workings of the federal assembly, due to opportunity cost (loss of income because of the absence of working in his hometown or in another federal city-state). This would have been a major drawback towards a process of ensuring a status of equal opportunities for citizen’s participation under democratic procedures, an issue which according to Briscoe (1974) and Economou, Kyriazis and Metaxas (2015) had to be settled not only for the Aetolian but also for the other ancient Greek federal structures aswell.\(^{11}\)

\(^{11}\) There is no evidence concerning the issue of the provision of the federal citizens with remuneration for participating in the Assembly, as was the case in Classical Athens (Arist. Ath. Polit. 62.2). However, we cannot definitely exclude such a possibility to have been practiced in the Aetolian Federation since
Under such a context is logical to guess why the Aetolians exercised two assemblies a year: to ensure a satisfactory level of participation of their federal constituents in the working of the two pan-Aetolian Assemblies. Furthermore, Thermos, the capital of the federation, was chosen to be constructed in the center of the federation in geographical terms (see picture 2) so as to be easily accessed by more and more citizens, even from far distant city-states. Moreover, the fact that no strong city (such as Megalopolis, or Tegea, or Mantineia) became the de facto capital of the federation, but instead, a capital-administrative center was chosen, had happened deliberately in order to ensure that no city-state would manipulate the federal institutions, thus imposing no hegemonic influence that could be exercised by a single city-state at the expense of the rest of them. In order for a federal state to become prosperous and appealing to all its member-states, it needs to exercise an equal (or relatively equal) share of power distribution and benefits among its member-states. If this does not take place, hegemonic trends take place (Mackil 2013: 344).

Thirdly, a very important institution that the Aetolians practiced was *isopoliteia*, meaning single citizenship meaning that a citizen of a city-state having political and economic citizen rights in the other city-states. Walbank (2010: 22) based on Polybius 11.44.5 interprets *isopoliteia* as a process of a mutual concession of political rights between city-states. This was critical in order to increase the cohesion among the members of the federation, both city-states and citizens. Funke (2015: 101-102) writes that this situation of “double citizenship” (meaning the city-state citizenship and the federal Aetolian citizenship) opened up entirely new and flexible patterns of interstate relations and political integration, an element that it proved vital for its interstate success during the 3rd century BCE and its expansion beyond the borders of the Aetolian heartland. Finally, the Federation was organized on a regional basis in seven

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*it is known that not only a large proportion of city-states in mainland Greece were strongly influence by the Athenian cultural, political and even constitutional formation trends, and Aetolian could not be excluded from such a reality, especially after the Athenian-Aetolian alliance of 370 BCE (Worthington 1984)

12 In the current EU, as a “federal capital” and the center of the major politico-economic events Brussels has been chosen, a capital of a “neutral” state instead of say, Berlin, Paris Rome or London (till before the Brexit period) which are the capitals of the traditionally and historically considered strongest states of Europe. Thus Brussels denotes also the intention to balance the politico-economic power among the EU member-states, as it was Thermos with the case of the Aetolian Federation.
districts or provinces. Each province had a regional political governor (possibly called *voularchos*), an economic governor called *tamias* (literally meaning, the treasurer) and an *epilectarhos* (the regional military commander) (Scholten 2000; Funke 2015: 95).

4. The economic institutions of the Aetolian Federation

The Federation was a type of monetary union. Coins bearing the inscription “*of the Aetolians*”, which denoted their federal origin, circulated in parallel to the coins of the city-states (Caspari 1917; Thompson 1939; Noe, 1962; Mackil 2013). City-states had their own mints, and that one or more federal mints existed probably in the Federation’s capital at Thermon (Mackil 2013: 247-255).

Silver coins were introduced but since the Aetolian land had no silver or gold veins, it had to be imported from abroad, paid for possibly through the export of foodstuff and/or services, perhaps “protection” for city-states needing it against aggressors. Mackil (2013: 252-255) argues that since 338 BCE the Aetolians began to issue low-denomination coins, such as silver *triobols* (half a drachma). However, after 240 BCE they began to mint high-denomination silver and golden coins, under the supervision of federal magistrates in order to subsidize their war effort against king Demetrios of Macedonia. Ancient coins had an “intrinsic” value which means that their value was determined by the amount of their silver content.

De Laix (1973: 65-75) argues that the annually elected seven *tamiai*, the economic administrators in each province, were also the keepers of the federal treasury (possibly with one of them being their chief) and served as monetary officials for striking federal coinages, thus determine the federal monetary policy. These seven exchequers were in charge of the funds necessary to pay the standing permanent army of the Federation. Each province had to offer 1000 highly capable soldiers (a total of 7000) called *epilekttoi*. 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 as against the previous usage of non-permanent citizen armies (akin to militia), as those of the Peloponnesian War. The Federation managed to field even as high as 20,000 men, as attested for the year 310 BCE (Diod. Sic. 20. 20. 3). Economou, Kyriazis and Metaxas (2015) have estimated that the annual defense budget of the Federation could be as high as 70% of
the annual federal budget, taking into account that in ancient and pre-modern economies defence expenditures were the main budget expenditures.

Pic. 2: A didrachm (two drachmas) coin (circ Laureate & diademed head a 260-220 BC) presenting a laureate & diademed head. On the reserve is presented a Aetolos holding spear and sword. The inscription “ΑΙΤΩΛΩΝ” (of the Aetolians) proves that the federal origin of the coin.

Source: http://www.wildwinds.com/coins/greece/aitolia/BMC_10.jpg

Furthermore, there were a series of economic institutions which proved beneficial in economic terms to the federal citizens. Firstly, is the issue of the existence of banks, being already widespread institution in the Greek world during the Classical and the Hellenistic period (Cohen 1997) which proved highly beneficial for trading between the city-states. Secondly, on section 3 it was mentioned the right to have a simultaneous citizenship in multiple city-member-states the so-called isopoliteia, which meant unlimited movement within every part of the federation.

If this crucial element is combined with the unlimited right to have or acquire property everywhere within the federation known as enkieseis and the right to intermarriage between different member states throughout the federation, known as epigamia (IG. IX 12; Xen. Hell. 5.2.19; Swoboda 1924: 24; Schwartz 1931; Scholten 2000: 110; Mackil 2013: 255, 302-303; Economou, Kyriazis and Metaxas 2015; Funke 2015) it can be argued that the Federation exercised the so-called three fundamental economic principles of modern free market economies, which are, free circulation of capital, labour and goods.
Women too had property rights on land, houses, movables etc. See Mackil (2013: 272). A woman with the name Nikareta a citizen of the Boeotian Federation (or League) sued the city of Orchomenos which failed to repay its loan to her, the lender. Nikareta proceeded in a federal court seeking justice and she vindicated. Finally, the city-state of Orchomenos and Nikareta reached a new agreement with each other. Similar cases of women who won such kind of trials include Kleuedra and Olympichia (Schaps 1979: 13, 63-65; Mackil 2013: 415-448).

Trade was further enhanced by a series of institutions such as the establishment of coin testers in order to ensure their purity\(^\text{13}\), as a guarantee to enforce exchanges and through low transaction costs for trade and the establishment of the *agoranomoi* (those who were checking market prices, by punishing those who were selling on exorbitant prices in order to effectively face profiteering) (Funke, 2015: 106; Economou, Kyrizis and Metaxas 2015). Federal Courts of Justice existed to ensure the implementation of the judicial decision and the rule of law, as well as to solve differences among the city-states (Polybius 2.37. 10.11; Ager 1996).

The economic and commercial transactions of city-states became easier and faster because of the absence of barriers to the mobility of labor and capital, which was achieved by introducing common coinage. These commercial “*interpolis commercial transactions*” proved beneficial in welfare terms to the majority of the federal city-states and thus they contribute to the “*microrregional economic interdependence*” and this achievement “*may at least partly responsible for the remarkable spread if the federation in the fourth and third centuries*” (Mackil 2013: 273, 281, 305).

Of course, we don’t know how and to what degree welfare was spread throughout the Aetolian society, however, we can again assume that there must have been a satisfactory level of distribution of wealth among the Federation as no ancient or modern source refers to any incident of resort to violence in order to force or coerce any free city-state to participate in the Federation against its will, as happened for example, in the case of the Chalcidian or Boeotian Federations.’

Not only the vital issue of common defence and cultural and social bonds were vital for the advancement of the regional collaboration between the Aetolians, as it was argued on section 2, but there must have also been a degree of economic motivation behind the participation of any free city-state in a greater political entity

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\(^{13}\) Counterfeit coins were confiscated by the state authorities.
such as a federation.

As a final comment, it could be argued that the Aetolian Federation was a successful historical phenomenon. It efficiently managed to protect its city-state constituents from external threat four two centuries, to only be subjugated by the military formidable Roman Republic in the second half of the 2nd century BCE. It also managed to introduce innovative institutions, a mixture of direct and indirect democracy political institutions, single citizenship, intermarriage and protection of property rights and economic rights throughout its dominion, as well as the establishment of a series of reliable federal coinages and trade roots that proved beneficial and increase the overall welfare of its constituents.

Once these federal institutions proved beneficial, this federal compromise between the citizens become accepted, rules of behavior applied and persist by the whole society itself, until a major exogenous shock, the Roman conquest, alter the established the already forged Aetolian federal order. In the following section we determine and explain further the two sets of criteria through which we will perform an interdisciplinary comparison of the main institutions of the Aetolian Federation with modern states (section 6).

5. The set of criteria: Democratisation and cohesion

The two sets of criteria are democratisation and cohesion. We define democratisation as to how democratic each federation was/is according to the extent of citizens’ participation at decision making at federal level. According to these characteristics, we introduce the following criterion of democratisation14:

1. Legal equality, which is equality in front the law called isonoma: This criterion is not only valid in democracies, but also in some pre-democratic states, such as Sparta where with the establishment of the Spartan Constitution be Lycurgus, the Great Rhetra approximately in 750 BCE, all citizens where regarded equal in front of the law (Plut. Par. Liv. 6.1-2, 6.7-8; Cartledge 1987; 2003: 29). On the other hand, it was not valid for extensive periods of time in many parts of the world. Obviously,

14 These criteria were first in use in the ancient Greek federations known as isonomia (equality in front of the law), isegoria (equality of all to speak, eg. introduce proposals for policy, laws and decrees to be voted by the Assembly), isokrateia (equality of political rights, to be elected in all state positions and the courts) and isopoliteia (single citizenship), the word “iso” meaning equal.
neither European medieval serfs, Chinese or Indian peasants under the Moghuls or slaves, enjoyed legal equality. Thus, although legal equality existed in some non-democratic states, there cannot be a democracy without legal equality.

2. Equality to speak and to propose: While legal equality is obvious as a necessary condition for democracy, equality to propose is not. Equality to propose was a constituent characteristic of ancient Greek democratic city-states and federations, in which every citizen had the right to speak and to propose measures or actions on any issue, in front of the citizen’s Assembly, which was the supreme decision making body (see among others, Hansen 1999; Mackil 2013). If the citizen’s vote in favour, a proposal (a decree or law) approved by the majority of the people it became state law after being checked by a special committee of jurors as far its “constitutionality” was concerned (see on this Schwartzberg 2004). In modern representative democracies, this right is in most cases at the best attenuated, and in many non-existent. Some states and federations provide for the possibility of popular initiatives that lead to obligatory referenda (see note 1) with binding outcomes, others not, or only at some level or some issue, excluding others. For example, these are no popular initiatives at federal level in the USA and Germany, while they are possible at some states in the USA and at Land and city level in Germany. Some US states (California, Initiative 13) permit initiatives also concerning financial and tax issues, while others, like Germany, exclude them. Others, like Switzerland permit them on all issues.15

3. Political equality: This means that all political positions are open to all citizens and are occupied by elections. This was evident for the ancient Greek city-states and federations, where all posts (general, judges, “finance ministers”, “presidents”16) were occupied through elections or by lot, but is the exception in today’s democracies and federation, were many posts are not occupied through elections, but are occupied by

15 In 2015 there was a popular initiative leading to a referendum on the issue if the Swiss Central Bank should buy back gold that it had sold before out of its reserves. In ancient Athens, all financial issues were decided by the Assembly.
16 This becomes clear through our presentation of the institutional set-up of federation in table 1. We use the term “president” in a wider sense, meaning the head of the state, as for example, in modern Switzerland. In the Athenian democracy, this post was filled by the so called Eponymous Archon while in the Greek federations the post was filled by the so called Strategos. The finance ministers called tamiai, the generals and the judges (at popular federal courts) were elected either by vote (for those requiring specialist knowledges like generals and finance ministers) or by lot all the others (see Ager 1996; Mackil 2013; Funke 2015; Economou, Kyriazis and Metaxas 2015).
through various procedures.

4. Equality of political and economic rights within the federation: In modern times. Federations are based on the so called “basic freedoms”, free movement of goods and services, capital, citizens (labour) and political rights. As it was argued in section 4 for the Greek democratic federation, this was achieved through the institutions of enktesis and epigamia with the full protection of property rights everywhere within the federation. The last, movement or transfer of political rights was already valid (as were all the other freedoms) at federal level for the Greek federations (the so-called isopoliteia), but is not valid for example for the EU. A Spanish citizen who goes for example to live in Sweden, does not have the rights to vote for Swedish national elections.

The second set of criteria fall under cohesion, and are:

5. Monetary Union: Most known federations practiced some form of monetary union, but with some variation: the ancient Greek federations for example permitted the parallel circulation of federal and city-state currencies. Modern EU shows as inner core of monetary union (the EMU) and an outer “periphery” whose states have retained their own national currencies.\(^\text{17}\) We argue that all “integrated” federations were/and are also monetary unions. Monetary union is one of the characteristics that make a federation cohesive.

6. Federal budget: All federations have federal budgets, but the important issue here is the extent of it, because the higher the federal budget, the more common policies are financed at federal level, and thus the more cohesive the federation. Related to this is the existence of own means at federal level and the attribution of means by the states to the federal level (in the EU for example, a percentage of vat).

7. Common market, economic freedoms and common regulations: The existence of a common market where “economic freedoms” apply is a necessary characteristic of federation. Federations, make necessary some common regulations, as for example common weights and other measures. The extent of these regulations are still a matter of controversy, especially with regard to tax harmonization versus tax competition, as well as the existence of regulatory bodies, such as, in modern times, a Central Bank, federal courts (already in existence in the ancient Greek federations) and institutions

\(^\text{17}\) In this point, we don’t use the terms core and periphery in the definition of I. Wallerstein’s (1974) Theory of World-Systems and later works.
that safeguard competition against abuses.\textsuperscript{18}

8. \textit{Common External and Defense Policy}: Historically, most federations (ancient Greek ones, Old Swiss Confederacy, United Provinces, USA) started as defense alliances to face a common threat and gradually evolved towards more political and economic integration. Thus, also historically, the biggest percentage of the federal budget expenditure was for defense (Economou, Kyriazis and Metaxas, 2015: 260-261). Defense and common external policy characterizes also all the existing federations so the question arises: A political formation in which its member-states follow their own and sometimes diverging defense and external policy, like the EU, can be considered a federation, or not?\textsuperscript{19}

So, what makes federations successful? In table 1, we present 18 federations (our main case study, the Aetolian federation and 17 modern cases of developed and developing countries) according to their time duration. Successful, means the ability to face external threats and internal challenges, to adapt and in the end to give it legitimacy in the minds of its citizens, who are thus willing to support and defend it. In order this research to analyse a representative sample of federal states, table 1 analyses federal cases throughout the world that are currently democracies, although with variations. This means that, for example, the level of political and economic freedoms is not the same between Switzerland and Russia, or between Germany and Pakistan. This is a central issue that, however, exceeds the analysis that takes place here\textsuperscript{20}, but it plays a significant role in determining the numerical outcome on table 2 which follows table 1 and it is directly connected to table 1.

Most of these states are OECD members, they are all WTO members and they are characterized as either developed or developing countries. This is crucial in our analysis, since we actually test the performance of the institutions of an ancient federation by choosing some of the most advanced states of today. We do this intentionally so as to find out if the ancient Greek federation’s institutional organization could be comparable (or even exceed) todays federations in the

\textsuperscript{18} In our view, tax and regulatory competition do promote the introduction of “best practices” (Ferejohn and Weingast 1997; Halkos and Kyriazis 2006).

\textsuperscript{19} The list of criteria could be expanded but we suggest that the above are sufficient for our present analysis.

\textsuperscript{20} By this we mean to undertake an extensive typology concerning the constitutional political organization of the 18 case-studies that are analysed on tables 1 and 2.
classification we perform under the 8 federal criteria. If this is the case, this may mean that it may be beneficial in both political and economic terms for modern societies to use the Aetolian federation as a benchmark for more institutional reforms.

Table 1: Duration and longevity of 16 selected federations with democratic structure of institutions

<table>
<thead>
<tr>
<th>Federation:</th>
<th>Historical longevity</th>
<th>Number of years</th>
<th>Federation:</th>
<th>Historical longevity</th>
<th>Number of years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-Modern Case</td>
<td></td>
<td></td>
<td>Modern Cases</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aetolian</td>
<td>370-168 BCE</td>
<td>202</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AMERICA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Argentina</td>
<td>1861-1930</td>
<td>134</td>
<td>Brazil</td>
<td>1889-1929</td>
<td>103</td>
</tr>
<tr>
<td></td>
<td>1946-1976</td>
<td></td>
<td></td>
<td>1935-1936</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1982 to today</td>
<td></td>
<td></td>
<td>1946 to today</td>
<td></td>
</tr>
<tr>
<td>Canada</td>
<td>1867 to today</td>
<td>150</td>
<td>Mexico</td>
<td>1824-1836</td>
<td>126</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1855-1867</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1917 to today</td>
<td></td>
</tr>
<tr>
<td>USA</td>
<td>1776 to today</td>
<td>241</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EUROPE</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Austria</td>
<td>1919-1934</td>
<td>83</td>
<td>Belgium</td>
<td>[1970] 1993</td>
<td>34</td>
</tr>
<tr>
<td></td>
<td>1945 to today</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bozni-Herzegovina</td>
<td></td>
<td></td>
<td>European Union</td>
<td>1992 to today</td>
<td>25</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Germany</td>
<td>1919 to 1933</td>
<td>86</td>
<td>Switzerland</td>
<td>1848 to today</td>
<td>169</td>
</tr>
<tr>
<td></td>
<td>1945 to today</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EURASIA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Russia</td>
<td>1917</td>
<td>100</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ASIA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>India</td>
<td>1947 to today</td>
<td>70</td>
<td>Pakistan</td>
<td>1947 to today</td>
<td>70</td>
</tr>
<tr>
<td></td>
<td>1947 to today</td>
<td></td>
<td></td>
<td>1947 to today</td>
<td></td>
</tr>
<tr>
<td>AFRICA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>South Africa</td>
<td>1994 to today</td>
<td>23</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OCEANIA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Australia</td>
<td>1901 to today</td>
<td>116</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 1 needs some extra clarifications. Some states such as the USA, Canada, Switzerland and India are democratic federations since their political foundations of their state. For some states (Argentina, Brazil, Mexico, Austria, Germany, Russia and Pakistan) the time period that is provided is not coincide with democratic governance. For example, during the 19th and the 20th century the three Latin countries Argentina,
Brazil, Mexico faced an iterative process of interruptions of the democratic governance because of coup d’états, restoration of democracy etc.

In Europe, Germany was unified as the Second Reich in 1871 but only barely one could not be characterized as democracy under Kaiser’s rule (1871-1918) and the Weimar Republic lasted only fourteen years (1919-1933). Democracy restored in 1945 and in East Germany in 1989, when East and West Germany united together again. Austria was a federal republic during the 1919-1934 and since 1945 to today. Belgium is a federal democracy since 1993. Its reform into a federal structure initiated in 1970, the coherence and efficacy of which were being further improved gradually later. Finally, tables 1 and 2 include also the case of the European Union. Despite some discouraging facts such as Brexit and the rise of Euroscepticism, the EU is under a process of further political integration, in fact some scholars such as Burgess (2000) already consider the EU as an “economic confederation”.

Concerning Eurasia, Asia and Africa, Russia has a federal record since 1917, with October’s Revolution, however the Soviet Union was not a true free democratic state, thus only after the collapse of the Soviet Union and the adoption of a free market economy Russia could be considered as a democratic regime. India is a federal democratic state since its creation in 1947, while Pakistan, alternates periods of either democracy or autocracy (military junta).

Concerning Africa, South Africa is a special case. Typologically, it is a federal state with a democratic government since 1961. However, since the vast majority of black South Africans were not enfranchised until 1994, it is still in the open from which historical period and then, one can measure democracy in South Africa in real terms. South Africa held its first universal elections (both black and white constituents) in 1994. On the other hand, one could argue that till 1994 there were rational discriminations in South Africa does not mean that there was not a functional democratic regime in the country between 1961-1993. Thus, we recognize federalism under a democratic state of governance foe the whole 1961-2017. Finally concerning Oceania, we choose Australia which is a federal state since its foundation 1883 to

21 For Austria and Belgium see
https://www.parlament.gv.at/ENGL/PERK/BOE/
For the federal history in Switzerland see
http://history-switzerland.geschichte-schweiz.ch/switzerland-federal-constitution-1848.html
today.

Table 2 integrates both the democracy and cohesion federal criteria (including their for sub-criteria). 18 cases of federal states throughout the world are examined, the Aetolian Federation in comparison to 17 modern cases with developed or developing economies which exercise democracy. For each criterion, the state receives a ranking, 1 for absolutely fulfilling the criterion, 0 for not fulfilling the criterion and between 0 and 1 when the criterion is fulfilled but not in the proper level.

We are aware that this involves a simplification, because it assumes that all institutions have the same importance, which is not always valid, according to the particular political set up. Some institutions have more competences than others. For example, the “head of the state”, president, general, or king, have different competences in Aetolia, France, the USA, India, Germany, Greece, the UK etc. The table could be refined by attributing weights to each institution for each federation, according to its competences and importance. We do not do this in the present essay for reasons of space.

Another issue concerns the ranking of the eight criteria: We acknowledge in advance that the final outcome is based on our own calculation, which however, there are not arbitrary, but are based on the rankings the world-wide internationally accepted organisations provide: For example, concerning the third criterion (Political equality) are ranking is based on The Economist Intelligence Unit (EIU) classification and concerning the seventh criterion, our ranking is based on the Economic Freedom Indicators of the Fraser Institute (for 2016). Thus, our data base is not an arbitrary one.

A high ranking indicates that these federations managed to achieve a community of interests among its citizens. Community of interest was already recognized by Aristotle as the major ideal of a state and a democracy, something which was rediscovered together with the rediscovery of democracy. Federations where community of interest is strong, are more enduring, since its citizens feel that they have a stake in the federations’ continuation and are willing to defend it in cases of external threat. Community of interest comes about through the working of elements


23 Aristotle called it homonoia, concord or same mindness and, for example, after the French Revolution, one of the main squares in Paris was called Place de la Concorde.
such as solidarity, participation, economic welfare, burden sharing and some redistribution.

Table 2: Evaluating the politico-economic performance of 16 states under an intertemporal approach and 8 specific federal criteria

<table>
<thead>
<tr>
<th>Federation:</th>
<th>Democracy CRITERIA</th>
<th>Cohesion CRITERIA</th>
<th>Total score (out of 8,0) ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Legal Equality</td>
<td>Equality to speak and to propose</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Political equality</td>
<td>Equality of political and economic rights</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Monetary Union</td>
<td>Federal budget</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Common market, economic freedoms and common regulations</td>
<td>Common External and Defense Policy</td>
<td></td>
</tr>
<tr>
<td>Aetolian Federation</td>
<td>1</td>
<td>1</td>
<td>0,8</td>
</tr>
<tr>
<td>AMERICA</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Argentina</td>
<td>0,8</td>
<td>0,4</td>
<td>0,7</td>
</tr>
<tr>
<td>Brazil</td>
<td>0,8</td>
<td>0,4</td>
<td>0,8</td>
</tr>
<tr>
<td>Canada</td>
<td>1</td>
<td>0,5</td>
<td>0,9</td>
</tr>
<tr>
<td>Mexico</td>
<td>0,8</td>
<td>0,3</td>
<td>0,6</td>
</tr>
<tr>
<td>USA</td>
<td>1</td>
<td>0,8</td>
<td>0,8</td>
</tr>
<tr>
<td>EUROPE</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Austria</td>
<td>1</td>
<td>0,5</td>
<td>0,8</td>
</tr>
<tr>
<td>Belgium</td>
<td>1</td>
<td>0,5</td>
<td>0,9</td>
</tr>
<tr>
<td>Germany</td>
<td>1</td>
<td>0,5</td>
<td>0,9</td>
</tr>
<tr>
<td>European Union (27)</td>
<td>1</td>
<td>0,4</td>
<td>0,8</td>
</tr>
<tr>
<td>Switzerland</td>
<td>1</td>
<td>0,8</td>
<td>0,9</td>
</tr>
<tr>
<td>EURASIA</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Russia</td>
<td>0,7</td>
<td>0,2</td>
<td>0,3</td>
</tr>
<tr>
<td>ASIA</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>India</td>
<td>0,8</td>
<td>0,3</td>
<td>0,8</td>
</tr>
<tr>
<td>Pakistan</td>
<td>0,8</td>
<td>0,3</td>
<td>0,4</td>
</tr>
<tr>
<td>AFRICA</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>South Africa</td>
<td>1</td>
<td>0,4</td>
<td>0,7</td>
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<tr>
<td>OCEANIA</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Australia</td>
<td>1</td>
<td>0,4</td>
<td>0,9</td>
</tr>
</tbody>
</table>

These again raise further issues. Is there a link between democratization and solidarity, participation, etc. Our tentative answer is that there is. In the older federations, but also modern ones, common defense and common decision-making procedures increase the sense of solidarity and participation? Ancient Aetolians and Achaean24, citizens of the United Provinces, the Old Swiss and the Americans fought as such, and not, say as Corinthians and Megalopolitans or Californians and Texans.

24 For the Achaean federal state, a neighbour to the Aetolian democratic federation with similar political and economic institutions, see (Mackil, 2013; Economou and Kyriazis 2016).
Democratic decision making even in its attenuated representative form, gives legitimacy in the case of war. The more democratic the decision-making procedure at federal level, the higher the sense of solidarity and participation, and thus the sense of belonging of citizens not just to their individual’s cities, provinces or states, but to the federation. Fulfillment of the democratization criteria strengthens the creation of a community of interests. Decision making through the citizens assemblies of the ancient Greek federation or through popular initiatives and referenda in modern Switzerland that leads to a manifestation of a common will is another expression of a community of interests.

But community of interests creates solidarity and solidarity reinforces community of interests in a mutually reinforcing process. This was recognized already in the ancient Greek federations, as manifested in one famous exception: the case of the city-state of Dyme. In a particular situation, during 226-217 BC three federal Achaean city-state Dyme, Phairai and Tritaia were being attacked by marauding Aetolian federation’s troops. Due to unknown (to us) reasons the Achaean federal army failed to mobilise in time to defend its member city-states and thus the city-states suffered heavy losses and were forced to hire mercenaries by themselves. Due to this, the three cities refused to fulfill their federal tax obligations. The federal authority recognized its failure to meet its obligation and solidarity (by offering military protection, thus security and defense policy). Thus not only it did not punish the three cities, but also offered them compensation by remitting their fiscal obligations for 3 years, which was the amount paid to the mercenaries (Mackil, 2013, pp. 299-300, 378, 387, 392). This contrasts today’s EU situation facing the immigration problem, where many member-states make their own decisions by erecting walls etc., a policy that is the opposite of solidarity.

The cohesion criteria are elements for measuring economic welfare, burden sharing and some redistribution. Democratic federations seem to be welfare promoting, as for example being better able to face economic crises. Possible explanations are that federations create economies of scale (for example in defense, through bigger free markets) and a reduction of transaction costs (through, again, big markets, monetary

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25 A point which needs more theoretical analysis, but which seems valid according to our econometric results presented.
unions and common regulations).26

Also, common policies, and their finance through the federal budget may be, in some cases, more efficient since they avoid duplication of effort, as in R and D and lead, again to economics of scale. Also, policies implemented at federal level, have some redistributional effects, (for example in the form of regional policies) which again leads to increased cohesion and a sense of solidarity, although this again is a contested issue concerning the height of redistribution. Federations that achieve high rankings such as the Aetolian Federation, Switzerland, the USA, Canada and Australia tend to approach the ideal of citizens federations.

6. Conclusion
Taking into account our discussion of community of interest, we rate the four federations in the table 2. According to table 2 and if our rating is correct this would mean that the future looks bright for Switzerland, the USA, Canada and Australia, but less so, for example, for the EU. This again poses the question as to what should be undertaken at the EU level to change eurosceptism and increase the sense of same-mindness.

Our tentative answer, in view of previous discussion, is that, for example, the EU must be democratised, in having more elected bodies, with more competences b) The actual policy mixture must be changed and be again orientated towards more growth promoting measures and away from austerity and recession c) As in the other three cases, more tasks should be undertaken at European level, and, linked to this, the European budget should be increased.

The above are of course the basis for an ongoing discussion, but we believe and tried to show, that the experience of older federations may provide useful examples and answers. The analysis can be extended to cover also other cases, like the Swiss federation.

References

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26 In this respect too, the EU fares badly. Although allegedly a common market, only about 35% of its markets are really common. Telecommunications markets for example, are still, mainly national (Cohn-Bendit and Verhofstadt, 2012).


