

## GREECE

**Owed on a Grecian Tax: Did Rich Athenians of Old Pay Up Proudly?**

by William Hoke

As the debate regarding whether the wealthy contribute their fair share to society heats up, one professor of the classics said some of the earliest taxpayers actually bragged about paying disproportionate amounts of tax.

Digging deep into the historical record of ancient Athens, however, it seems that several well-heeled Hellenes were just as reticent about rendering tax unto some pre-Roman Caesar as many of their descendants reputedly are today. (In 2016 the OECD said tax evasion “remains widespread in Greece, thus reducing revenues needed to support social policies.”)

On March 8 Professor Thomas Martin of the College of the Holy Cross in Massachusetts was interviewed on National Public Radio about an article he wrote a few months ago — “Only the Richest Athenians Paid Taxes — And They Bragged About It” — which explained how the rich in the golden age of Athens and later years enthusiastically embraced their duty to contribute to the city’s common good and defense.

Martin said there was a wide range of taxes in ancient Athens, including levies on the value of goods being shipped through the city’s port and a tax on prostitution (which was legal). Although those taxes were paid by the parties who directly benefited or took pleasure from the activities, only the well-to-do were saddled with the expense of big-ticket items that benefited the entire city. (There was also a tax of six drachmas on women who had no sons and a poll tax, which wasn’t always a prerequisite to vote, on nonresident aliens, but neither of those levies was likely to fall upon the uber prosperous.)

According to a 1992 paper by Carl Hampus Lyttkens, a professor of economics at Lund University in Sweden, rich Athenians could be subject to three forms of property taxation, each based on wealth: military liturgies, festival liturgies, and a war tax known as an eisphorai. “By performing a so-called liturgy, a citizen undertook to finance and manage certain functions for the common good,” he said in

“Effects of the Taxation of Wealth in Athens in the Fourth Century B.C.”

While taxes tend to skyrocket in times of large-scale war, plutocrats around the time of Plato had to reach much deeper into their pockets than other citizens to pay for the defense of Athens. By far, the biggest expense a wealthy Athenian had to bear on his own came from being classified as a trierarch, which meant he had to pay for and equip a trireme, the legendary warship with three banks of rowers (approximately 170 strong) that was used to ram Persian vessels in hopes of sending them to the bottom of the wine-dark sea.

“If you were in what we would calculate the top 1 percent, then you were expected to — when called upon, and this would happen regularly — to pay the entire cost of provisioning, paying the wages, and equipping one of these high-tech warships . . . for an entire year,” Martin said in the interview. “They took pride in it because of the status they could get, but also because it literally brought them . . . the respect of their fellow citizens that had actual — I would even say material — benefits.”

Martin said the reputational benefits of kitting out a trireme or funding a dramatic festival to honor the gods would come in handy when a rich person was involved in a lawsuit because he could say he paid more taxes than he had to. “And this established what?” Martin asked rhetorically. “Your character as a good citizen who could be believed. And there is no open market where you could buy that, right? You can’t go buy social respect on Wall Street.”

In his article, Martin fast-forwards 2,500 years to contrast the ethics of a long-past eon with the attitudes of the modern era, saying one out of every six tax dollars goes unpaid in the United States today. “Large corporations and rich citizens do everything they can to minimize their tax bill,” he said. “The Athenians would have ridiculed such behavior. None of the financial elite of ancient Athens prided themselves on scamming the Athenian equivalent of the IRS. Just the opposite was true: They paid, and even boasted in public — truthfully — that they often had paid more than required.”

Martin then walked back that statement a bit, saying that not every citizen accepted his civic

duty so readily. “Some Athenian shirkers tried to escape their liturgies by claiming other people with more property ought to shoulder the cost instead of themselves, but this attempted weaseling out of public service never became the norm,” he said.

### Better Him Than Me

While taxpayers in the modern world can contest what they believe to be an unjust assessment in a courtroom, Athenians of antiquity who were called on to finance a liturgy could avail themselves of a process called “antidosis” to directly challenge another citizen they claimed was better able to bear the expense. “That other citizen then had three choices: to accept the liturgy, to submit to a trial in which a jury determined who was the wealthier, or to swap assets,” Dominic Frisby, a British author and host of a financial investing television program, said in a 2017 article. “It’s a pretty effective system for determining how wealthy somebody actually is, as opposed to how rich he says he is.”

Lyttkens said it is likely that a greater number of people paid the *eisphorai* war tax than those who financed liturgies. “Each man assessed himself on oath,” he said. “Obviously the scope for tax evasion was considerable — for example, by transferring some of one’s property to less visible kinds.”

Peter Fawcett, who has written extensively on taxes in ancient Greece, said in a 2016 article, “When I Squeeze You With *Eisphorai*,” that the modern scholar’s understanding of tax compliance in classical Athens is limited and comes mainly from the city’s orators. “Demosthenes (45.66) explains how men like Stephanos, who wished to avoid liturgies and the wealth tax, might use their banks to hide their property, and Lysias (20.23) links ‘invisible assets’ and tax evasion,” Fawcett said.

Lyttkens agreed that many Athenians honored their responsibilities more in the breach than the observance. “In the fourth century B.C., Athenians were often accused of avoiding their civic obligations and of concealing their wealth,” Lyttkens said. “These attested cases show that economic behavior in classical Athens could be affected by taxation. We would expect that the

property taxation favored less easily identifiable forms of wealth — a substitution effect.”

Land, houses, and slaves were the most easily identifiable assets, followed by interest-bearing loans, Lyttkens said. “The taxation of wealth would then discourage the holding of these assets compared to precious objects, coins, and non-interest-bearing loans. Of these, coined metal is arguably the most easy to conceal and hence the most favored.”

Robin Osborne, a professor of ancient history at Cambridge University, wrote in “Athens and Athenian Democracy” that the Greek statesman Aeschines devoted a considerable section of a speech “to the way in which Timarkhos has (mis)managed his property, complaining frequently that Timarkhos has sold off both land and investments in the mines and has hence rendered invisible property from which another man would have borne liturgies.”

An indication that taxes could just as easily be coerced as complied with can be found in an exchange between Cleon, an Athenian general during the Peloponnesian War with Sparta, and a would-be rival. “I will have you made a trierarch and you will get ruined through it,” Cleon says in a play by Aristophanes (923). “I will arrange that you are given an old vessel with rotten sails, which you will have to repair constantly and at great cost. I will crush you with imposts [and] have you inscribed on the list of the rich.”

While Martin cited a couple of examples of rich Athenians bragging about paying for triremes, one of them admitted to less-than-noble motives. “But my purpose in spending more than was enjoined upon me by the city was to raise myself the higher in your opinion, so that if any misfortune should chance to befall me, I might defend myself on better terms,” said the speechwriter Lysias in “Defense Against a Charge of Subverting the Democracy.”

Despite the efforts of some to avoid paying taxes, Wolfgang Franzen with the Research Center for Empirical Social Economics in Cologne told *Tax Notes* that tax morale was “quite positive” in classical Athens, and that the city had both a relatively fair tax system and a high compliance level. “There are several reasons for tax compliance in classical Athens . . . a positive attitude towards the polis and democracy, love of

the city, an extensive transparency, etc.," he said in an email. "Yet, we must not forget that Athens was a small and quite homogenous community — only male adults with Athenian parents were considered citizens."

Franzen said that while liturgies served as a form of taxation, they were very different from the modern understanding of taxes. "Their special circumstances made them very likely to generate less resistance and a much stronger compliance than taxes," he said. "So we have to be careful when comparing [the system then] with [taxes] nowadays."

### A Cultural Shift

In 2019 Franzen wrote an article for the *Journal of Ancient Civilizations* (vol. 34/2) on the attitude of the citizenry in classical Athens toward taxation. He said the city used surplus revenue to provide citizens with an allowance known as "theorikon" to attend festivals. "Liturgy, eisphorai, and theorikon acted as instruments of redistribution of wealth, taking money from the rich and giving it (indirectly) to the poor," he said.

Franzen said the tax system in classical Athens was highly progressive. "Only the rich were liable [for] liturgies and eisphorai, with the latter increasing with growing wealth," he wrote. "Thus, the duty to contribute to society very much followed the principle of capability, which makes for strong vertical fairness. In the end, this should have strengthened the commitment to democracy for the vast majority of the Athenians. The elitist liturgical class was rewarded with esteem, status, and privileges."

Patriotism, law, and morale were important in classical Athens and also provided incentives for tax compliance, Franzen said. "No system is equipped with a perfect solution, so there was noncompliance as well — especially in later times — but [it was] probably marginal," he said.

Franzen said a decline in silver production at mines in nearby Laurion, the city's defeat in the Peloponnesian War (431 to 405 B.C.), and increasing tribute payments put pressure on Athens' financial situation and led to a more onerous tax burden. Those developments were paralleled by what Franzen described as a cultural shift "from morality to sophistic argumentation" in court. "While in earlier times

there was little reason to doubt declarations of wealth since everyone wanted to be rich, around the time of the Peloponnesian War visible wealth led to huge losses, so some declared as little as possible," he said in his article. "This all might have additionally encouraged noncompliance." ■