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Property rights and contracting in Ptolemaic Egypt

In this paper, I shall discuss Egyptian contracts dating to the Ptolemaic period. I ask the following question: What was the impact of the Ptolemaic takeover on the land tenure regime and on private contracting? The study of private rights in real property in the Ptolemaic period offers a good case study that illustrates several key issues in the New Institutional Economics:

With respect to transaction-cost economics, land holding patterns in the Ptolemaic period illustrate Ellickson's "efficiency thesis." This holds that problems of transaction costs, information, and enforcement of rights were reduced by landholding patterns within families and social status groups. Egypt's physical environment reinforced this pattern. The path dependence of land tenure institutions established millennia before the Ptolemies, and the adaptations made by a new state and new populations to ancient land tenure patterns, shows the constraints that limited economic development. A contract theory of the state (North's "neoclassical theory of the state") provides a more dynamic model of the Ptolemaic state than have traditional assumptions of a vague colonial model. The Ptolemaic state's failure to create a single property rights regime in Egypt produced incentives for the local elite to siphon revenue from the state, and also acted as a constraint against real economic growth.