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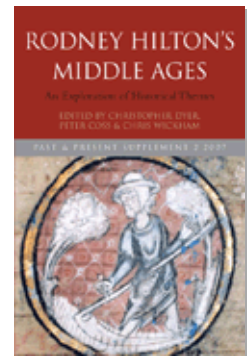
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## Trade and Empire - In Search of Organizing Concepts for the Roman Economy

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# TRADE AND EMPIRE — IN SEARCH OF ORGANIZING CONCEPTS FOR THE ROMAN ECONOMY\*

The greatness of a state, and the happiness of its subjects . . . are commonly allowed to be inseparable with regard to commerce; and as private men receive greater security, in the possession of their trade and riches, from the power of the public, so the public becomes powerful in proportion to the opulence and extensive commerce of private men.

David Hume

And if our rule in measuring degrees of politeness and civilization is to be taken from hence, or from advancement of commercial arts, we shall be found to have greatly excelled any of the celebrated nations of antiquity.

Adam Ferguson

Whatever evils either reason or declamation have imputed to extensive empire, the power of Rome was attended with some beneficial consequences to mankind.

Edward Gibbon

‘Trade is a Mystery, which will never be compleatly discover’d or understood’, Daniel Defoe declared three hundred years ago.<sup>1</sup> For students of the Roman world his remark rings uncannily prophetic. Despite almost as many years of scholarly inquiry the character of Roman trade is still an intensely debated and hotly contested issue. This is not simply a consequence of the relatively poor state of the evidence, though information lacunas

\* I am much obliged to Peter Garnsey for comments and helpful suggestions on this article. I should also like to thank Vincent Gabrielsen, with whom I discovered a shared interest in protection costs, for inspiring discussions. For further suggestions and stimulating critique, I am indebted to Trine Madsen, Walter Scheidel, and the audience at the ‘Meeting of Danish Historians’ in August 2003 in Copenhagen, where the ideas for the article were first presented.

<sup>1</sup> Daniel Defoe, *The Review*, 23 vols. (Facsimile Text Soc., New York, 1928), facsimile bk 8, vol. iii, no. 126, pp. 502–3, cited from J. G. A. Pocock, *The Machiavellian Moment: Florentine Political Thought and the Atlantic Republican Tradition* (Princeton, 1975), 454. The epigraphs above are from: David Hume, *Selected Essays*, ed. Stephen Copley and Andrew Edgar (Oxford, 1998), 156 (*Of Commerce*); Adam Ferguson, *An Essay on the History of Civil Society* (1767), ed. Fania Oz-Salzberger (Cambridge, 1995), 193; Edward Gibbon, *The Decline and Fall of the Roman Empire*, intro. Hugh Trevor-Roper, 3 vols. (London, 1993), i, 60 (ch. 2).

are, of course, a major contributing factor. If Roman trade remains a disputed area, this is as much a reflection of the central position market trade occupies in our understanding of the contemporary world. Any observation about the state of commerce is imbued with far-reaching implications for how we conceive of societies, past and present. This is not to be deplored; it is what makes our study worthwhile. But it does present the student of pre-modern or pre-capitalist societies with a particularly strong challenge. It is questionable whether present discourse and concerns are capable of capturing the ancient experience. One may, for instance, doubt that contemporary debates about free trade are particularly relevant for the Roman world. It is the argument of this article that they are not. The institutional context of market formation in the empire was different in a number of important ways. The development of trade was shaped by very different societal preconditions.

The first part of the article seeks to show how the Roman empire challenges our accustomed notions of market trade. Section I locates this problem in the failure of classical political economy to reconcile its devotion to the principle of *laissez-faire* and its analysis of state formation processes. The next section attempts to demonstrate how this creates difficulties for our understanding of late Roman economic developments. The customary dichotomy of state intervention and free private enterprise is not sufficient to account for the changes in the image of the late Roman economy which are now emerging, not least due to archaeological work. Our understanding of markets in the Roman world is in need of a new conceptual framework in order to structure the analysis. The second part of the article explores how this can be achieved. It examines state formation and market development as interrelated processes rather than contradictory phenomena. This it attempts to illustrate by presenting a simple global model of trade and the Roman economy. Three sections introduce the basic concepts: tributary empire, portfolio capitalism and protection costs. The final section shows how these concepts together can constitute an explanatory framework for commercial and economic developments in the course of Roman imperial history. They provide the conceptual basis for structuring a new and better narrative of the economic history of the empire.

## I

## THE ROMAN EXPERIENCE AND POLITICAL ECONOMY

Discussions of Roman exchange have customarily been conducted in terms of the modern problem of free market or tied transfer. Recently in the *Journal of Roman Studies* the economist Peter Temin organized his examination of the Roman economy around this very issue: Was the empire characterized by free markets or were exchange processes dominated by state-organized redistribution? His central concern was to identify market prices in the Roman world, for in his view this would substantiate the conclusion that 'ancient Rome had an economic system that was an enormous conglomeration of interdependent markets'.<sup>2</sup>

Temin's approach has a long and distinguished pedigree. In his classic *The Social and Economic History of the Roman Empire* (1926), Rostovtzeff developed a narrative opposing the flourishing free-market economy of the High Empire to the state-planned declining economy of Late Antiquity. In French scholarship, the preoccupation with free trade moulded analyses such as those of Hatzfeld (1919) and Rougé (1966).<sup>3</sup> More recently, as the influence of Malinowski's, Mauss's and Polanyi's economic anthropology began to make itself felt within classical study during the 1960s, the question was reformulated as one of redistribution and gift-exchange versus market trade. Scholarly debate and interest were soon rekindled. *Le Pain et le cirque*, Veyne's famous analysis of ancient euergetism, which described public munificence in antiquity as a particular form of gift-exchange, is a hallmark of this change. Studies of the Roman *annona* (the arrangements of the state for provisioning its capital and army), by Pavis d'Escurac, Remesal Rodríguez, and more widely by Wickham, Nippel and Whittaker have emphasized the redistributive character of resource transfers;<sup>4</sup> while, among others, Rickman, Sirks,

<sup>2</sup> Peter Temin, 'A Market Economy in the Early Roman Empire', *Jl Roman Studies*, xci (2001), 181.

<sup>3</sup> Jean Hatzfeld, *Les Trafiquants italiens dans l'Orient hellénique* (Paris, 1919); Jean Rougé, *Recherches sur l'organisation du commerce maritime en Méditerranée sous l'empire romain* (Paris, 1966).

<sup>4</sup> Paul Veyne, *Le Pain et le cirque: sociologie historique d'un pluralisme politique* (Paris, 1976), available in English in abbreviated form: *Bread and Circuses: Historical Sociology and Political Pluralism*, trans. Brian Pearce (London, 1990). See also Henriette Pavis d'Escurac, *La Préfecture de l'annone: service administratif impérial d'Auguste à Constantin* (Rome, 1976); José Remesal Rodríguez, *Heeresversorgung und die wirtschaftlichen Beziehungen zwischen der Baetica und Germanien: Materialien zu einem Corpus der in*

De Salvo, Carandini, Harris and Paterson have vigorously asserted the importance of free trade in the Roman economy.<sup>5</sup>

Among these, one contribution stands out for its conceptualization — the so-called ‘taxes and trade’ model developed by Keith Hopkins.<sup>6</sup> Hopkins argued that the combination of state consumption and a shift from taxation in kind to monetary payments spawned the development of markets, increasing division of labour and growth in the Roman world. Subjects simply had to earn back in the market money to defray their taxes which the Roman emperor then spent in other locations. The outcome was an expansion of long-distance trade between tax-exporting and tax-receiving provinces, and growing economic integration. Clearly a child of the Keynes-inspired economic discourse of the 1970s, blurring the distinction between public and private, the model held out the promise of a fresh start, transcending the old dichotomy. But that never really materialized.<sup>7</sup> Predictably, discussions centred on the extent of the ‘free’ market. Hopkins, for instance, was soon locked in debate with Richard Duncan-Jones

(n. 4 cont.)

*Deutschland veröffentlichten Stempel auf Amphoren der Form Dressel 20* (Stuttgart, 1997), revised German version of Spanish original from 1986; Chris Wickham, ‘Marx, Sherlock Holmes and Late Roman Commerce’, *Jl Roman Studies*, lxxviii (1988); Wilfried Nippel, ‘Review of Ste. Croix, *The Class Struggle in the Ancient Greek World*’, in *Gnomon*, lvi (1984), 623–33; C. R. Whittaker, *Land, City and Trade in the Roman Empire* (Aldershot, 1993); C. R. Whittaker, *Frontiers of the Roman Empire: A Social and Economic Study* (Baltimore and London, 1994).

<sup>5</sup> Geoffrey Rickman, *The Corn Supply of Ancient Rome* (Oxford, 1980); Boudewijn Sirks, *Food for Rome: The Legal Structure of the Transportation and Processing of Supplies for the Imperial Distributions in Rome and Constantinople* (Amsterdam, 1991); Lietta De Salvo, *Economia privata e pubblici servizi nell'impero romano: i corpora naviculariorum* (Messina, 1992); Andrea Carandini, *Schiavi in Italia: gli strumenti pensanti dei Romani fra tarda Repubblica e medio Impero* (Rome, 1988); W. V. Harris, ‘Between Archaic and Modern: Some Current Problems in the History of the Roman Economy’, in W. V. Harris (ed.), *The Inscribed Economy: Production and Distribution in the Roman Empire in the Light of Instrumentum Domesticum* (Jl Roman Archaeol., suppl. ser., vi, Ann Arbor, 1993); Jeremy Paterson, ‘Trade and Traders in the Roman World: Scale, Structure, and Organization’, in Helen Parkins and Christopher Smith (eds.), *Trade, Traders and the Ancient City* (London and New York, 1998).

<sup>6</sup> Keith Hopkins, ‘Taxes and Trade in the Roman Empire (200 BC – AD 400)’, *Jl Roman Studies*, lxx (1980); see also Keith Hopkins, ‘Introduction’, in Peter Garnsey, Keith Hopkins and C. R. Whittaker (eds.), *Trade in the Ancient Economy* (London, 1983), pp. ix–xxv.

<sup>7</sup> A notable exception is Elio Lo Cascio, ‘Mercato libero e “commercio amministrato” in età tardoantica’, in Carlo Zaccagnini (ed.), *Mercanti e politica nel mondo antico* (Rome, 2003); the article problematizes this distinction.

over the extent of commercialization and the size of the natural economy in the empire.<sup>8</sup>

The crucial influence behind the intensified debate of the last three decades, of course, is M. I. Finley's *The Ancient Economy*. Since its first appearance in 1973 it has been the controversial focus of scholarly discussions. Highly polemical, pacy and frequently impatient, Finley's work has often been misunderstood — lately by Temin — as a simplistic anti-market tract. But this is much too shallow a reading and is itself a result of the inadequacy of the free/tied trade dichotomy to structure our discussions of the ancient economy. Finley never denied the existence, nor the importance, of market phenomena in the Greek and Roman world. Quite the reverse, he explicitly rejected Polanyi's approach for most of antiquity, assigning markets a much larger role than envisaged by the Hungarian-American economist.<sup>9</sup> Finley's aim was different. It was to challenge the ability of modern market-centred economics and, more generally, of established capitalist common-sense notions to explain the economic performance of Graeco-Roman civilization.

In some respects, this ought to have been uncontroversial. The discourse of classical political economy took shape during the eighteenth century in conscious contrast specifically to the Graeco-Roman experience. Defoe's comment about the mysterious nature of trade appeared in a political climate dominated by notions of civic republicanism.<sup>10</sup> Borrowing most of its

<sup>8</sup> Keith Hopkins, 'Rome, Taxes, Rents and Trade', in Walter Scheidel and Sitta von Reden (eds.), *The Ancient Economy* (Edinburgh, 2002); Richard Duncan-Jones, *Structure and Scale in the Roman Economy* (Cambridge, 1990); Richard Duncan-Jones, *Money and Government in the Roman Empire* (Cambridge, 1994).

<sup>9</sup> M. I. Finley, *The Ancient Economy* (1973; London, 1985); also M. I. Finley, 'Aristotle and Economic Analysis', *Past and Present*, no. 47 (May 1970), esp. 13–16, with footnotes. Karl Polanyi's posthumously published, unfinished, *The Livelihood of Man*, ed. Harry W. Pearson (New York, 1977), has been seen as going much further than Finley by locating the birth of the 'modern market' in the Hellenistic period following the work of Mikhail Rostovtzeff, *The Social and Economic History of the Hellenistic World*, 3 vols. (Oxford, 1941): see Harris, 'Between Archaic and Modern', 15–16. But it is rather a question of Polanyi making too much of too little, too late. Finley dated the rise of extensive market trade in the Greek world much earlier than Polanyi, but denied that it ever developed into capitalism. See also the discussion in the second edition of Finley, *Ancient Economy*, 178.

<sup>10</sup> Pocock, *Machiavellian Moment*, is the classic treatment of civic republicanism in the early modern world. Chapter 13 discusses Defoe in the context of 'Neo-Machiavellian political economy': see, in particular, *ibid.*, 453–5. Aldo Schiavone, *La storia spezzata: Roma antica e Occidente moderno* (Rome, 1996), publ. in English as *The End of the Past: Ancient Rome and the Modern West*, trans. Margery J. Schneider

fundamental convictions from authorities of the classical canon such as Aristotle, Polybius, Cicero, Sallust and Livy, civic republicanism had been established as a political force by theorists such as Machiavelli and Harrington. In their universe, trade was a source of social and political corruption.<sup>11</sup> As the institutions of capitalism and extensive market trade gained ground in seventeenth- and eighteenth-century Britain, it became important to find ways of accommodating the self-interested pursuit of profit within the social fabric. Defoe, for instance, went on to assert, in the face of repeated republican denunciations of the creation of state bonds, that, far from corrupting society, government dependence on the credit market would ensure good conduct and responsible administration. The continuous need to borrow money worked to discipline government behaviour to the greater good of the society and the economy.

The ancient experience as expressed in the classical heritage, with its pronounced distrust of everything commercial, and its eulogizing of the liberating potential of landed property, began to seem increasingly out of touch with modern realities.<sup>12</sup> To most prominent thinkers of the enlightenment period, it was perfectly clear that the Graeco-Roman world had failed to develop the kind of commercial society which was quickly materializing in front of them. Even such a staunch defender of the values of civic republicanism as Adam Ferguson insisted that the modern economy had taken a decisively new turn. The division of labour and commercial exchange had developed far beyond what was known from antiquity, he remarked in the *Essay on the History of Civil Society* (1767), cited at the beginning of this article. As an essayist, David Hume made several trenchant observations about the

(n. 10 cont.)

(Cambridge, Mass., and London, 2000), ch. 8, makes inspired use of Defoe to illustrate the economic differences between the Roman world and that of early capitalist England.

<sup>11</sup>The main works were: Niccolò Machiavelli, *Discorsi sopra la prima deca di Tito Livio* (Florence, 1531); James Harrington, *The Common-Wealth of Oceana* (London, 1656).

<sup>12</sup>J. G. A. Pocock, *Barbarism and Religion*, 4 vols. (Cambridge, 1999–2005), offers many fascinating observations on this process in his grand examination of the gradual emergence of the view of Roman history which underlay Gibbon's *Decline and Fall*. My treatment of the early discourse on political economy has been greatly helped, in particular, by Pocock, *Barbarism and Religion*, iii, ch. 16. See also M. I. Finley, *Ancient Slavery and Modern Ideology* (London, 1980), ch. 1; Claude Nicolet, *Rendre à César: économie et société dans la Rome antique* (Paris, 1988), ch. 1.

ancient economy. He pointed to the much more central location of slave labour in Greek and Roman society.<sup>13</sup> In the essay *Of Commerce*, he identified the ancient experience as a major aberration from modern, more natural, developments. Modern states sought to increase their strength by promoting commerce. In the ancient world, however, state power had rested on the very 'want of commerce and luxury'.<sup>14</sup> Adam Smith developed this further in *The Wealth of Nations* (1776). Slave labour was identified as a decisive precondition of ancient urbanism dominated by a land-owning aristocracy. European urbanization, as it had evolved after the fall of the Roman empire in the West, was seen in very different terms. There, cities had come to depend much more on the export of manufactured products to the countryside for their subsistence. The distinction, made prominent by Finley, Weber and Bücher, between the ancient consumer-city and the capitalist producer-city had been developed *in nuce* by Smith.<sup>15</sup> The Glasgow economist and professor of moral philosophy also observed how the ancients and the moderns differed in their attitude to colonies. In Rome, they seemed to have been motivated by land-hunger, while in Smith's day they were primarily treated as potential export markets. Modern economic theory was, in other words, born in constructive opposition to the Graeco-Roman world.<sup>16</sup> The ancient experience appeared inadequate to deal with the emerging capitalist economic order. New models of economic behaviour had to be developed instead of the old time-honoured exempla. The classical world's ideal of the economically independent, politically active citizen serving the commonwealth gave way to economic man, a specialist dependent

<sup>13</sup> In the essay *On the Populousness of Ancient Nations*, in Hume, *Selected Essays*, ed. Copley and Edgar.

<sup>14</sup> Hume, *Selected Essays*, ed. Copley and Edgar, 158.

<sup>15</sup> Adam Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations* (1776), ed. R. H. Campbell, A. S. Skinner and W. B. Todd (Oxford, 1976), 397–410, 557. On Smith and the 'consumer' city, see M. I. Finley, 'The Ancient City: From Fustel de Coulanges to Max Weber and Beyond', *Comparative Studies in Society and History*, xix (1977); Paul Erdkamp, 'Beyond the Limits of the "Consumer City": A Model of the Urban and Rural Economy in the Roman World', *Historia*, l (2001).

<sup>16</sup> Smith, *Wealth of Nations*, ed. Campbell, Skinner and Todd, 556–64. This gap only widened in the following century where political economists generally had no doubts about the huge differences between the ancient and the capitalist world. Most, therefore, simply lost interest in ancient history. For a recent treatment of this, see Neville Morley, 'Political Economy and Classical Antiquity', *Jl Hist. Ideas*, lix (1998).



on the social division of labour, and serving the common good by helping himself.

One contrast which acquired signal importance in the enlightenment engagement with antiquity was the absence of universal empire in the European present. The predominant view had it that absolute imperial monarchy was a source of corruption. The unlimited power of the emperor always threatened to descend into abusive administration, infringement of civil rights, and injustices, to the detriment of society and economic progress. Imperial power equalled despotic rule. It was, as Montesquieu stated, based on fear, the subjects' fears of the arbitrary exercise of state power.<sup>17</sup> Universal empire lacked both internal constraints and external competitors, necessary for disciplining its behaviour towards socially and economically beneficent results. Empire was detrimental to commercial society. Nonetheless, there might be more to empire than military tyranny. In the unpublished *Lectures on Jurisprudence*, delivered in Glasgow about a decade before the *Wealth of Nations*, Adam Smith reasoned:

The army made the emperor, the army supported him in his authority and executed his orders. The private affairs of individuals continued to be decided in the same manner and in the same courts as before . . . Thus a military government admits of regulations, admits of laws, tho the proceedings are very violent and arbitrary with regard to the election of emperors and in the punishment of all offenders against his dignity . . . But in every other thing it was his interest that justice should be well administered. And this was the case in the Roman Empire from the time of Julius Caesar to that of the ruin of the Empire.<sup>18</sup>

In some ways, the *pax Romana* resembled Smith's vision of laissez-faire. The emperors' respect for, and reluctance to interfere with, existing laws and regulations provided the foundation for prosperous economic development. Smith was not alone in this idea. It seems to have been current in various degrees within the intellectual circles of the Scottish Enlightenment; Gibbon brought the notion to maturation in his famous vision of the second century as a golden interlude under the modest rule of the Antonine emperors; and it later culminated in Rostovtzeff's interpretation of the imperial economy.

<sup>17</sup> Charles Louis de Secondat de Montesquieu, *De l'esprit des loix* (Geneva, 1748, last revised edn, 1757), bk 3, ch. 9.

<sup>18</sup> Adam Smith, *Lectures on Jurisprudence*, ed. R. L. Meek, D. D. Raphael and P. G. Stein (Oxford, 1978), 237–8. The passage receives extensive analysis by Pocock: see his *Barbarism and Religion*, iii, 394–6.

The more balanced view of imperial monarchy was prefigured by Hobbes in *Leviathan*. He observed that, in principle, there was nothing to prevent the sultan's subjects in Constantinople from being more free than the citizens of the free republic of Lucca. The imperial state might interfere less than the city-republic in the lives of its people.<sup>19</sup> Voltaire took it from there. In the grand history of the world, the *Essai sur les mœurs et l'esprit des nations* (1754), he spoke out repeatedly against the current European notions of despotic empires. Here he is, tearing the inflated image of the almighty Mughal emperor apart:

Despotism is a violent state which seems unable to last. It is impossible in an empire where vice-regents have armies of twenty thousand men in their pay that these vice-regents should continue to obey for a long time and unconditionally. The lands which the emperor grants to his vice-regents become independent of him. So we should take care not to believe that in India the fruit of everybody's labour belongs to one person only. Several Indian castes have retained their old possessions. The other lands have been granted to the great men of the empire, the rajas, the nabobs, the omras.<sup>20</sup>

A universal emperor might claim unlimited hegemonic power. In practice, he was much too weak to impose his will on society in most matters. His authority was fragmented, and vast sections of the economy lay outside his effective control. 'It is difficult to see how sovereigns who could not prevent their own children from raising armies against them should hold such absolute power as some would like to make us believe', Voltaire stated confidently.<sup>21</sup> These observations have lost nothing of their freshness; similar observations can be and recently have been made for the

<sup>19</sup> Thomas Hobbes, *Leviathan*, revised edn, ed. Richard Tuck (Cambridge, 1996), 149. For an analysis, see Quentin Skinner, *Liberty before Liberalism* (Cambridge, 1998), 85.

<sup>20</sup> 'Le despotisme est un état violent qui semble ne pouvoir durer. Il est impossible que, dans un empire où des vice-rois soudoient des armées de vingt mille hommes, ces vice-rois obéissent longtemps et aveuglément. Les terres que l'empereur donne à ces vice-rois deviennent dès là même indépendantes de lui. Gardons-nous donc bien de croire que dans l'Inde le fruit de tous les travaux des hommes appartienne à un seul. Plusieurs castes indiennes ont conservé leurs anciennes possessions. Les autres terres ont été données aux grands de l'empire, aux raias, aux nababs, aux omras'. Voltaire, *Essai sur les mœurs et l'esprit des nations et sur les principaux faits de l'histoire depuis Charlemagne jusqu'à Louis XIII* (1754), ed. René Pomeau, 2 vols. (Paris, 1963), ii, 782 (ch. 194).

<sup>21</sup> 'Il est difficile de comprendre comment des souverains, qui ne pouvaient empêcher leurs propres enfants de lever contre eux des armées, étaient aussi absolus qu'on veut nous le faire croire': *ibid.*, 778.

Roman world. The position of the emperor remained insecure and challengeable; and his rule is best described as 'government without bureaucracy'.<sup>22</sup> In many respects, universal monarchy was beset by weaknesses. It was simply incapable of controlling the economy and the society of its subject communities.

If, therefore, the Roman empire has seemed to meet Adam Smith's requirements for an ideal market economy, that was not out of strength, but out of weakness. The imperial state simply had no choice but to leave large sections of the economy to themselves. That, however, is no solid foundation for a free-market economy. Weakness does not imply a firm hands-off policy. The Roman state was both too much and too little to fit the Smithian model. Whenever it suited its purposes, it never hesitated to bypass the market: for example, by using tax grain for the corn-dole in Rome, or by imposing forced requisitions in order to obtain supplies for the army. Furthermore, inability to control society was not simply a matter of leaving the economy to the market. It also entailed very patchy enforcement of law and order, and very uneven regulation and administration of society. A laissez-faire regime does, in fact, presuppose a historically strong state.<sup>23</sup> Hume was, perhaps, the one among the important *philosophes* who saw this best. In the essay *Of Commerce* he was not simply interested in making a case for the dependence of modern state-building on trade in contrast to the ancient world. Modern trade, he pointed out in the passage used as an epigraph to this article, was equally dependent on the support of the increasing strength of *the public* to underwrite its institutional foundations.

The public to which Hume referred was the fast-evolving nation state. During the seventeenth and eighteenth centuries it

<sup>22</sup> Egon Flaig, *Den Kaiser herausfordern: die Usurpation in römischen Reich* (Frankfurt am Main, 1992); Peter Garnsey and Richard Saller, *The Roman Empire: Economy, Society and Culture* (London, 1987), ch. 2.

<sup>23</sup> Adam Smith knew this well, of course. This is presumably why traditional economics has found it much more difficult to engage with the last books of the *Wealth of Nations*, where the relationship between state and the economy is explored in greater detail than in the first books, where the doctrine of free trade is presented. Karl Gunnar Persson, *Grain Markets in Europe, 1500–1900: Integration and Deregulation* (Cambridge, 1999), chs. 4 and 6, makes the important observation that in many European states it was precisely the developing modern bureaucracies of authoritarian governments that forced through the implementation of the new doctrine of laissez-faire.

effected a vast expansion in social power. The universal, agrarian empires of his contemporary world found it increasingly difficult to keep up with this development. Recently Dominic Lieven has provided a strong illustration through a comparison of the clashing Ottoman empire and the Russian state after the reorganization by Peter the Great. Initially the weaker party, Russia gradually gained the upper hand in the scramble for power in Central Asia and Eastern Europe by successfully implementing reforms which copied the institutions of western European nation states. The Ottoman empire was unable to follow suit and the formerly mighty empire found itself falling behind in 'the great game'.<sup>24</sup> The classic agrarian empires were not geared to effect a similar expansion of state power, nor to penetrate their underlying societies to the same extent and reach an equivalent level of social control.

Compared with the emerging nation state, universal empires like the Ottoman and the Roman were much weaker polities — true minimal states, if you like. Imperial states such as the Roman were incapable and had no intention of supplying the level of protection required by the doctrine of Smith. The correspondence between the Emperor Trajan and his governor Pliny the Younger provides a very clear demonstration of this. Approached by the city of Juliopolis about theft and abuse caused by Roman soldiers marching through, Pliny refers to the example of Byzantium. The latter had been granted a Roman legionary centurion to organize protection of the city from the army passing through en route to the frontiers. The emperor, however, refused to allow Byzantium to become anything but an exceptional case lest the imperial government should establish a costly and burdensome precedent. If Juliopolis were successful in its application, soon other cities, with even weaker defences, would seek to obtain personnel from the legions to protect them. The request had to be rejected.<sup>25</sup> The imperial state was reluctant actively to divert military resources to the ordinary protection of the subject population. This impression of a very sparing supply of imperial protection available to civilians is confirmed by evidence from Syria. On the eastern frontier, the Roman state

<sup>24</sup> Dominic Lieven, *Empire: The Russian Empire and its Rivals from the Sixteenth Century to the Present* (London, 2000).

<sup>25</sup> Pliny the Younger, *Epistulae*, x. 77–8; see also *ibid.*, x. 21–2.

claimed an extraordinarily high duty of 25 per cent on imported Oriental luxuries. Nonetheless, it still appears to have been the local community of Palmyrene merchants that was in the main responsible for providing protection for the caravans, policing the desert and fending off Bedouin raids.<sup>26</sup>

The problem of Roman trade, in other words, precedes the free-market discussion. From a historical perspective, Adam Smith's argument in favour of *laissez-faire* appears not simply as a question about the extent of state intervention in the economy. Rather, it was part of a debate about how most efficiently to provide the best possible conditions for further economic development in the context of a, historically, already unusually strong state.<sup>27</sup> Discussing the Roman economy primarily as a question of free markets or politically directed redistribution, therefore, may not be the most important or interesting perspective to apply to the ancient experience. It is anachronistic — presupposing a level and regularity of social control never attempted by the Roman state.

## II

### LATE ANTIQUITY, ECONOMY AND MARKET

The inadequacy of a free-market approach to explain the economic performance of the Roman empire appears with particular clarity from developments of the Late Empire. Traditionally portrayed as a period of economic crisis and decline, caused by increasing state intervention in the free functioning of the economy, the late antique world has now been shown, not least through painstaking archaeological research, to have been much more vibrant than hitherto believed. Considerable parts of the

<sup>26</sup> J. Starcky, *Inventaire des inscriptions de Palmyre*, fasc. 10, *L'Agora* (Damascus, 1949), no. 29 (for the collection of the so-called *tetarte*, a 25 per cent customs duty on foreign imports, farmed out to an Antiochene councillor). See Raphaela Drexhage, *Untersuchungen zum römischen Osthandel* (Bonn, 1988), for a basic treatment of the inscriptional evidence from Palmyra. See also, more generally, the discussion of the Oriental luxury trade going through both Egypt and Palmyra in Gary K. Young, *Rome's Eastern Trade: International Commerce and Imperial Policy, 31 BC – AD 305* (London and New York, 2001), chs. 2 and 4.

<sup>27</sup> Anthony Giddens, *The Nation-State and Violence* (Cambridge, 1985), 181, rightly notes that the discipline of economics itself arose as an integral part of the intensified state-building process — an attempt consciously to devise more efficient economic strategies and thus strengthen the state and its society.

empire only reached the height of their economic development in the late antique world.<sup>28</sup> The province of Britain experienced a high of prosperity and production during the fourth century AD. Villa agriculture expanded and the land was cultivated with greater intensity. Better farming equipment involving the use of more iron was introduced on the larger estates. Proto-industrial villages or small towns emerge in the countryside. In contrast, the cities, normally the seat of the more developed marketing functions, stagnate and find the economic expansion passing them by.<sup>29</sup> Greece, at a standstill during the Antonine golden era, shows signs of increasing economic activity beginning in the fourth century.<sup>30</sup> The province of Syria was probably never

<sup>28</sup> The magisterial survey by Chris Wickham, *Framing the Early Middle Ages: Europe and the Mediterranean, 400–800* (Oxford, 2005), particularly chs. 3, 10 and 11, is fundamental for the continued vitality of economic life in the late Roman world. The surveys of Bryan Ward-Perkins, *The Fall of Rome and the End of Civilization* (Oxford, 2005), chs. 5–7; J. H. W. G. Liebeschuetz, *The Decline and Fall of the Roman City* (Oxford, 2001), ch. 2; and Michael McCormick, *The Origins of the European Economy: Communications and Commerce, AD 300–900* (Cambridge, 2001), pt 1, still prefer to treat the period within an overall framework of decline. But it is characteristic of their approach that it is shaped especially by the experience of the western European part of the empire, that decline only sets in fairly late, and that much of the story they tell is one of survival and even growth. Cf. the paradoxical title of Liebeschuetz's survey, 'The Survival of the Cities', in his *Decline and Fall of the Roman City*, ch. 2. The fact that we are able to discern shifts in the areas of greatest economic activity within a territory the size of the Roman empire over a stretch of half a millennium, for example 200–700, really ought not to surprise us, and can certainly not be taken as evidence of overall economic decline. The vast catalogue compiled by A. J. Parker, *Ancient Shipwrecks of the Mediterranean and the Roman Provinces* (Brit. Archaeol. Repts, internat. ser., dlxxx, Oxford, 1992), for instance, has frequently been thought to document a peak of shipping in the first century BC to the first century AD. But that is mistaken. The evidence is heavily skewed towards the Gallo-Italian trade in wine, carried in Dressel 1 and 2–4 amphorae. The much bigger shipping operation of the Alexandrian grain fleet goes virtually undetected in the wreck statistics, to say nothing of the late Roman rise of African exports of grain, olive oil and ceramic tableware which make a surprisingly poor show in the records, with Tripolitanian oil amphorae virtually absent. For recent trends in research on the hitherto underexplored eastern part of the empire, see Sean Kingsley and Michael Decker (eds.), *Economy and Exchange in the East Mediterranean during Late Antiquity: Proceedings of a Conference at Somerville College, Oxford, 29th May, 1999* (Oxford, 2001); on regional changes in agricultural production, see Tamara Lewit, *Agricultural Production in the Roman Economy, AD 200–400* (Brit. Archaeol. Repts, internat. ser., dlxviii, Oxford, 1991).

<sup>29</sup> Martin Millett, *The Romanization of Britain: An Essay in Archaeological Interpretation* (Cambridge, 1990), chs. 7–8; Barry C. Burnham and John Wachter, *The 'Small Towns' of Roman Britain* (London, 1990).

<sup>30</sup> For a summary, see Susan E. Alcock, *Graecia Capta: The Landscapes of Roman Greece* (Cambridge, 1993), 48–9.

doing better than in the fourth to the sixth centuries. In the limestone massif to the south, west and north of modern Aleppo agriculture expanded into areas still uninhabited to this very day, leaving behind a countryside dotted with the ruins of prosperous villages built of stone. The area of Palestine, too, sports a flourishing agricultural production in this period, not least with exports of Gaza wine, and cities were generally doing very well in the region.<sup>31</sup>

Even more conspicuous is the late Roman flowering in North Africa. Led by Proconsularis, the African provinces began to push back the agricultural frontier during the second century AD. This development continued in the third and fourth centuries right up to the Vandal conquest and beyond for the core areas.<sup>32</sup> Urban communities proliferated and developed a flourishing civilization. Carthage reached its maximum extent only in the fourth century.<sup>33</sup> While it is true that other areas — generally of the more marginal zones such as Tripolitania — experienced increasing problems from the mid fourth century, even here agriculture continued to develop in some wadis of the pre-desert.<sup>34</sup> The

<sup>31</sup> On Syria and Palestine, see the summary discussions by Nigel Pollard, *Soldiers, Cities, and Civilians in Roman Syria* (Ann Arbor, 2000); and Clive Foss, 'The Near Eastern Countryside in Late Antiquity: A Review Article', in J. H. Humphrey (ed.), *The Roman and Byzantine Near East: Some Recent Archaeological Research* (Jl Roman Archaeol., suppl. ser., xiv, Ann Arbor, 1995). The seminal archaeological work was done by Georges Tchalenko, *Villages antiques de la Syrie du nord*, 3 vols. (Paris, 1953–8). Tchalenko's pioneering results have now been refined by Georges Tate, *Les Campagnes de la Syrie du nord du II<sup>e</sup> au VII<sup>e</sup> siècle* (Paris, 1992). Allan Walsmsley, 'Byzantine Palestine and Arabia: Urban Prosperity in Late Antiquity', in N. Christie and S. T. Loseby (eds.), *Towns in Transition: Urban Evolution in Late Antiquity and the Early Middle Ages* (Aldershot, 1996); and Leah Di Segni, 'Epigraphic Documentation on Building in the Provinces of Palaestina and Arabia, 4th–7th c.', in J. H. Humphrey (ed.), *The Roman and Byzantine Near East: Some Recent Archaeological Research*, ii (Jl Roman Archaeol., suppl. ser., xxxi, Portsmouth, RI, 1999), document the vitality of urban communities further south.

<sup>32</sup> On developments in Roman North Africa, see D. J. Mattingly and R. B. Hitchner, 'Roman Africa: An Archaeological Review', *Jl Roman Studies*, lxxxv (1995). Fundamental archaeological field survey work is presented in R. B. Hitchner, 'The University of Virginia-INAA Kasserine Archaeological Survey, 1982–86', *Antiquités africaines*, xxiv (1988); Graeme Barker and D. J. Mattingly (eds.), *Farming the Desert: The UNESCO Libyan Valleys Archaeological Survey*, 2 vols. (Paris, 1996); and Søren Dietz et al. (eds.), *Africa Proconsularis: Regional Studies in the Segermes Valley of Northern Tunisia*, 3 vols. (Copenhagen, 1995–2000).

<sup>33</sup> Henry Hurst, 'Cartagine, la nuova Alessandria', in Arnaldo Momigliano and Aldo Schiavone (eds.), *Storia di Roma*, iii, *Letà tardoantica* (Turin, 1993), pt 2. Claude Lepelley, *Les Cités de l'Afrique romaine au Bas-Empire*, 2 vols. (Paris, 1979–81), is the fundamental work on late Roman urbanism in Africa.

<sup>34</sup> D. J. Mattingly, *Tripolitania* (London, 1995), 205.

surplus of African agricultural production was exported to many locations around the Mediterranean, as testified by the almost ubiquitous presence of the late Roman African fine wares at excavation sites.<sup>35</sup>

To these provincial developments should be added some signs of technological maturation. The improvements in farm implements detectable in Britain have already been mentioned. The watermill, though perhaps more widespread by the second century than was formerly thought to be the case, still seems to find a much wider application in the late Roman world. In Egypt, the *saqqiya* (a water-lifting device) sees an increased use in the early fourth century.<sup>36</sup> The carrying capacity of some of the main amphorae types shows a very gradual, but steady, improvement over the centuries of imperial rule; late Roman African amphorae hold a greater volume of contents per kilogram of fired clay than the widespread Dressel 2–4 types of the Early Empire.<sup>37</sup> Likewise, in some of the great olive-growing regions, investment

<sup>35</sup> Clementina Panella, 'Merci e scambi nel Mediterraneo tardoantico', in Momigliano and Schiavone (eds.), *Storia di Roma*, iii, pt 2. See also S. J. Keay, *Late Roman Amphorae in the Western Mediterranean: A Typology and Economic Study. The Catalan Evidence*, 2 vols. (Brit. Archaeol. Repts, internat. ser., cxcvi, Oxford, 1984); Paul Reynolds, *Trade in the Western Mediterranean, AD 400–700: The Ceramic Evidence* (Brit. Archaeol. Repts, internat. ser., dciv, Oxford, 1995); and D. P. S. Peacock *et al.*, 'Roman Pottery Production in Central Tunisia', *Jl Roman Archaeol.*, iii (1990). Andrea Carandini, 'Pottery and the African Economy', in Garnsey, Hopkins and Whittaker (eds.), *Trade in the Ancient Economy*; and J. W. Hayes, *Late Roman Pottery* (London, 1972), have been important in drawing the attention of economic historians to the growth of African exports in Late Antiquity.

<sup>36</sup> Andrew Wilson, 'Machines, Power and the Ancient Economy', *Jl Roman Studies*, xcii (2002), 9 (*saqqiya*), 9–15 (watermill). Wilson's assertion that 'The breakthrough of the water-mill had certainly occurred by the second century AD, and almost certainly considerably before that' is unsupported by the evidence he presents: *ibid.*, 11. Only a handful of mills can be dated to the period before AD 200, whereas most data pertains to the following centuries. To this should be added the predominance of animal-driven mills in Pompeii, their use in second-century Ostia — see Russell Meiggs, *Roman Ostia*, 2nd edn (Oxford, 1973), pl. XXVIII b — and their anecdotal appearance in Apuleius' *Golden Ass* (*Metamorphoses*, ix, 11), which takes their widespread use for granted. All this should warn us against exaggerating the generalized spread of the watermill in the second century, even if we now have a few conspicuous examples from this date, such as the mill-works at Barbegal, recently redated by Philippe Leveau, 'The Barbegal Water Mill in its Environment: Archaeology and the Economic and Social History of Antiquity', *Jl Roman Archaeol.*, ix (1996). For the general state of research, see Örjan Wikander (ed.), *Handbook of Ancient Water Technology* (Leiden, 2000).

<sup>37</sup> See the convenient table in D. P. S. Peacock and D. F. Williams, *Amphorae and the Roman Economy* (London, 1986), 51–3.



in more and bigger oil-presses to increase production capacity has also been documented.<sup>38</sup>

The economy of the fourth-century empire was far from moribund. In many regions it prospered. This was not simply a result of the survival of free markets or the inability of the (weak) imperial state to weigh down the economy in the way that Rostovtzeff and many others after him have envisaged. The process was far more complicated. One of the most noticeable signs of continued economic vitality was the ability of the administration to generate urban development in a series of new, some of them secondary, capitals and provincial headquarters. Most important, of course, is the creation of Constantinople on the Bosphorus as an eastern counterpart to Rome. But this list would also include developments in fourth-century Trier, Milan — in turn superseded by Ravenna — Antioch and gubernatorial residences such as late antique Ephesus and Aphrodisias. These represent some of the most important urban developments in the Late Empire and they were closely linked to the imperial state.<sup>39</sup> A considerable and healthy wave of revisionism has cut the late Roman state down to size and punctured the inflated image of earlier generations of scholars.<sup>40</sup> However, while noticing the ‘survival’ of the ‘private’ sector, it is still important to remember that the apparatus of the late Roman state

<sup>38</sup> On investment in Africa, see D. J. Mattingly, ‘Africa: A Landscape of Opportunity?’, in D. J. Mattingly (ed.), *Dialogues in Roman Imperialism: Power, Discourse, and Discrepant Experience in the Roman Empire* (Jl Roman Archaeol., suppl. ser., xxiii, Portsmouth, RI, 1997). One can easily acknowledge these developments without necessarily subscribing to the up-beat rhetoric, for example, of R. Bruce Hitchner, “‘The Advantages of Wealth and Luxury’: The Case for Economic Growth in the Roman Empire”, in J. G. Manning and Ian Morris (eds.), *The Ancient Economy: Evidence and Models* (Stanford, 2005), 207–22. See also the contribution to the same volume by Richard Saller, ‘Framing the Debate over Growth in the Ancient Economy’.

<sup>39</sup> The survey in Liebeschuetz, *Decline and Fall of the Roman City*, ch. 2, documents the link between urban development and imperial/gubernatorial residences. Liebeschuetz, however, includes this in a narrative of decline which is much less persuasive.

<sup>40</sup> For some examples of this recent trend in research on the late Roman world, see Jairus Banaji, *Agrarian Change in Late Antiquity: Gold, Labour, and Aristocratic Dominance* (Oxford, 2001); Peter Garnsey and C. R. Whittaker, ‘Trade, Industry and the Urban Economy’, in Averil Cameron and Peter Garnsey (eds.), *The Cambridge Ancient History*, xiii, *The Late Empire, AD 337–425*, 2nd edn (Cambridge, 1998); Jean-Michel Carrié, ‘Les Échanges commerciaux et l’État antique tardif’, in Jean Andreatu, Pierre Briant and Raymond Descat (eds.), *Économie antique: les échanges dans l’Antiquité. Le Rôle de l’État* (Saint-Bertrand-de-Comings, 1994).

expanded considerably. The growing number of cities which were imperial residences is probably itself an indication of an increasing share of state consumption in the economy. These all needed to be fitted with urban embellishments worthy of a resident emperor, and at least some of them also received official food-distribution schemes on the Roman model, which, incidentally, had been expanded during the third century to include handouts of oil, pork and wine in addition to grain.<sup>41</sup>

The greater scale of expenditure by the fourth-century imperial state is also reflected in the vast expansion of the size of the official bureaucracy. From a total of not much more than 300 posts for aristocratic administrators at the end of the Antonine era, the fourth-century state had grown considerably, probably numbering between 30,000 and 35,000 officials.<sup>42</sup> Some of this change was cosmetic because free entrants took over the jobs of imperial slaves. But even making allowance for this, there is still no mistaking the general trend. The internal divisions of the third century had institutionalized a system of government based on several imperial courts; and so governmental offices had multiplied. So, too, had military personnel. The army probably grew from 400,000 to somewhere in the range of 500,000–600,000 men.<sup>43</sup> All in all, everything indicates that the imperial state was increasing its share of the economy — a development

<sup>41</sup> Constantinople, for example, received a food supply on the Roman model. As Rome lost its position as the preferred imperial residence, its population will have declined. But it remained a giant city. On aggregate, the combined burden of supplying both Rome and Constantinople will probably have been larger than before. During the third and fourth centuries measures were also introduced to support the grain supply to Antioch and Alexandria. See Peter Garnsey and Caroline Humfress, *The Evolution of the Late Antique World* (Cambridge, 2001), 110–14; Carrié, ‘Les Échanges commerciaux et l’État antique tardif’, 183–6; and, more fully, Jean Durliat, *De la ville antique à la ville byzantine: le problème des subsistances* (Rome, 1990), 37–280, 321–81. The food supply of other secondary imperial capitals was less of a problem because these cities had smaller, though by no means insubstantial, populations. There is no evidence of corn-doles for these. But it is probable that the residing emperor will have taken an active interest in maintaining supplies.

<sup>42</sup> Ramsay MacMullen, *Corruption and the Decline of Rome* (New Haven, 1988), with discussion and further bibliography.

<sup>43</sup> On the late Roman army, see the discussion by A. D. Lee, ‘The Army’, in Cameron and Garnsey (eds.), *Cambridge Ancient History*, xiii, ch. 7. Even if the Roman army had become a paper tiger, as MacMullen insists (but not persuasively) in his *Corruption and Decline of Rome*, pt 4, the imperial government still had to finance the inflated number of soldiers.

which was buttressed by the growing number, and more ambitious range, of governmental regulations.<sup>44</sup>

With the growth of state activity came an expansion of the economy in kind.<sup>45</sup> It is impossible to say just how much it grew. But it would be mistaken to imagine a general transition from a monetary economy of the Principate to a natural economy of the Dominate. The Roman state had always claimed substantial parts of its taxes in kind.<sup>46</sup> This it continued to do, and, as it intensified its tax demands, deliveries in kind, corvée labour and forced requisitions are likely to have increased absolutely and probably also relatively. The extension of the Roman *annona* to Constantinople, and in some measure to Antioch and Alexandria, for instance, points in that direction. So does the creation of the so-called *fabricae* (state-owned establishments for weapons production), and the gradual transformation of the *navicularii*, who served the *annona*, from a group of freely contracting shippers to those subject to a tax obligation resting on certain lands to provide men and material for state shipping. The impression derived from these individual developments is reinforced by the shape which the system of taxation gradually acquired during the third-century crisis. From the reign of Diocletian, imperial taxes predominantly took the form of annual indictions — demands made by the praetorian prefects of deliveries in kind to be supplied by the provincial taxpayers.<sup>47</sup> But it must be added that

<sup>44</sup>The notorious edict on maximum prices promulgated by Diocletian is a good, albeit extreme, example of the more ambitious — at times even quite unrealistic — scale of late antique governmental regulation. Less conspicuous, but all the more revealing of the greater level of state penetration, perhaps, is the practice of collecting prices in local markets to facilitate the process of taxation which developed in the fourth century, as attested, for example, by *The Oxyrhynchus Papyri*, li, ed. and trans. J. R. Rea (London, 1984), nos. 3624–6, 3628–33. On these Egyptian price declarations, see the discussion of Elio Lo Cascio, ‘Considerazioni su circolazione monetaria, prezzi e fiscalità nel IV secolo’, in G. Crifò and S. Giglio (eds.), *Atti dell’Accademia Romanistica Costantiniana: XII Convegno Internazionale* (Naples, 1998). Christopher Kelly, *Ruling the Later Roman Empire* (Cambridge, Mass., and London, 2004) is now fundamental on the greater control achieved by the late Roman government. See also Jill Harries, *Law and Empire in Late Antiquity* (Cambridge, 1999).

<sup>45</sup>A. H. M. Jones, *The Later Roman Empire, 284–602: A Social, Economic and Administrative Survey*, 3 vols. (Norman and Oxford, 1964), ii, chs. 20–1. These are still valuable on the subject, though in need of modification.

<sup>46</sup>Duncan-Jones, *Structure and Scale in the Roman Economy*, ch. 12; Garnsey and Saller, *Roman Empire*, ch. 5.

<sup>47</sup>Simon James, ‘The Fabricae: State Arms Factories of the Later Roman Empire’, in J. C. Coulston (ed.), *Military Equipment and the Identity of Roman Soldiers* (Brit.

not all such claims were, in fact, paid in kind. The monetary element remained an important component of taxation, and, as the currency stabilized in the second half of the fourth century, increasingly so.<sup>48</sup>

A free-market interpretation of imperial economic history, therefore, is faced with the paradox of late antique continued economic vitality, even some development, and an expansion of the state-controlled sector of the economy. The latter is also reflected in a probable growth of imperial estates. The government laid title to a larger share of landed property than it had in the High Empire. Municipal and temple lands were, for instance, confiscated by Constantine and Constantius II. The decision was never fully implemented. Some lands remained under the control of local authorities. Others were handed over to the management of local administration, and the proceeds were shared between city-council and imperial state. But again, the trend towards greater accumulation of imperial domains is unmistakable.<sup>49</sup>

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Archaeol. Repts, internat. ser., cccxciv, Oxford, 1988); De Salvo, *Economia privata e pubblici servizi nell'impero romano*; Jones, *Later Roman Empire*, i, 448–62; André Cerati, *Caractère annonaire et assiette de l'impôt foncier au Bas-Empire* (Paris, 1975), pt 1. For a case study of mobilization in kind, see J. T. Peña, 'The Mobilization of State Olive Oil in Roman Africa: The Evidence of Late 4th-C. *ostraca* from Carthage', in J. T. Peña et al. (eds.), *Carthage Papers: The Early Colony's Economy, Water Supply, a Public Bath and the Mobilization of State Olive Oil* (Jl Roman Archaeol., suppl. ser., xxviii, Portsmouth, RI, 1998).

<sup>48</sup> Jean-Michel Carrié, 'Observations sur la fiscalité du IV<sup>e</sup> siècle pour servir à l'histoire monétaire', in Luciano Camilli and Sara Sorda (eds.), *L'inflazione nel quarto secolo d.C.: atti dell'incontro di studio, Roma, 1988* (Rome, 1993); and Banaji, *Agrarian Change in Late Antiquity*, rightly emphasize the continued importance of monetary taxation. They are also right to insist that the literary and legal evidence, being predominantly normative in nature, does not enable us to prove *stricto sensu* an expansion of the state redistributive economy in kind. But the evidential basis of the opposite view is really no less uncertain — quite the reverse. We simply do not possess any global statistics on the late Roman economy. In that case, all we can do is weigh the probabilities of competing interpretations. No one doubts that the Roman state claimed a considerable amount of taxes in kind. As the state grew, the volume of this activity most probably followed suit; and that expectation seems to be borne out by the much more detailed, elaborate and comprehensive character of late Roman state regulations compared with the Principate.

<sup>49</sup> The process was uneven. Julian revoked the original decision and gave back control of lands to the cities. Ammianus Marcellinus, xxv. 4. 15; *Codex Theodosianus*, x. 3. 1. Julian's measure was, in turn, annulled: *Codex Theodosianus*, v. 13. 3; x. 1. 8. On imperial confiscation of municipal and temple estates, see Liebeschuetz, *Decline and Fall of the Roman City*, 175–8; Jones, *Later Roman Empire*, i, 414–16. The extent of 'royal' domains, in Rome as generally in pre-industrial

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As the imperial state grew, society became more rigidly hierarchical. Social stratification increased and the position of *hoi polloi* deteriorated. Trends in the legal system, already visible in the High Empire, towards privileging high status became more firmly institutionalized. Rank distinctions and social privilege were made the formal basis for defining the legal rights of the free population.<sup>50</sup> Always a significant feature of the empire, stark inequality increased — social, economic and legal. In economic terms, the result was larger concentrations of property in fewer hands. Conversely, middling urban groups, such as merchants and traders, suffered more troubled conditions. They would have found it increasingly difficult to assert their rights.<sup>51</sup> More merchants than in preceding centuries were probably connected with the great households. It had become more difficult to manage outside the protective, but discriminatory and exacting, umbrella of the *potentiores*.<sup>52</sup> Protection and privileges were also to be had by merchants who entered state service. The

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monarchies, was determined by the opposite movement of two forces. Monarchical estates accumulated as a result of confiscation and inheritance; they were reduced by royal grants and sales to the benefit of state servants, aristocrats, and religious and civic institutions. We cannot document the precise development of imperial landholdings during the Principate and the Dominate; it is a matter for conjecture. But the fourth-century confiscations of civic and temple lands across the empire must represent a high-water mark; it came right after a prolonged period of civil war where defeat inadvertently brought death and confiscation of property to a long line of losing factions.

<sup>50</sup>Peter Garnsey, *Social Status and Legal Privilege in the Roman Empire* (Oxford, 1970).

<sup>51</sup>For a recent survey of social developments in the Late Empire, see Garnsey and Humfress, *Evolution of the Late Antique World*, ch. 5. Interesting testimony on the ability of the high and mighty to distort market operations and crowd out ordinary merchants is offered by *Codex Justinianus*, iv. 63. 3: 'Nobiliores . . . perniciosum urbibus mercimonium exercere prohibemus ut inter plebeium et negotiatorem facilius sit emendi vendendique commercium'.

<sup>52</sup>Late Roman law contains several discussions of traders in the service of great aristocratic households, for example *Codex Theodosianus*, xiii. 1. 4–5. See also *Scriptores Historiae Augustae*, 'Pertinax', iii. 1–4. Further evidence is collected by Jones, *Later Roman Empire*, ii, ch. 21; iii, 1360–1 n. 102; and C. R. Whittaker, 'Late Roman Trade and Traders', in Garnsey, Hopkins and Whittaker (eds.), *Trade in the Ancient Economy*. Whittaker's discussion is crucial for any understanding of the phenomenon, though Carrié, 'Les Échanges commerciaux et l'État antique tardif', 197–9, is right to insist that this was not an expression of "décommercialisation" des échanges'. As Whittaker himself notes, Roman aristocrats needed gold — lots of it — which implies extensive market involvement. Aristocratic households also engaged in trade during the Republic, Early and High Empire. But they now seem more prominent. This may turn out merely to be a function of the surviving sources. But growing

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transportation of public goods enabled such businessmen to bring along consignments of their own, travelling piggyback at low costs and exempt from customs dues.<sup>53</sup> None of this represents a sound basis for free-market development. The explanation for late Roman economic vitality must be sought elsewhere.<sup>54</sup> The free market is an inadequate frame for our discussions. The increasing scale of state intervention in the economy, the declining legal position of the specialized commercial sector and its growing dependence on social superiors — none of these phenomena visibly damaged the overall economic performance of the Roman economy; in some regions quite the reverse happened.

The obvious answer to this paradox is that market developments, taken in isolation, were apparently less important to the economic history of the empire than it is often claimed. Generally economists are interested in the existence of free markets because free markets are expected to ensure the optimum allocation of economic resources. Free markets promote economic specialization and enable society to realize 'the gains of trade' through exchanges determined by the price mechanism. This is the theory. In practice, it has proved to be a far from trivial matter to achieve this end. Unregulated markets often produce suboptimal, sometimes even negative, results. This is not simply a matter of small imperfections or deviations from the optimum state of the economy — the equilibrium, as economists call it.<sup>55</sup> The reason is that pure, classical market theorists generally have disregarded transaction costs. They simply assume that economic actors have perfect information about prices and the supply of goods, that

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legal uncertainty combined with expanding aristocratic households makes it more likely to be a reflection of actual conditions.

<sup>53</sup> On this, see McCormick, *Origins of the European Economy*, 87–90, who rightly emphasizes the distorting effects of such privileges on a world of 'free' markets; Whittaker, *Frontiers of the Roman Empire*, 104–13. A key text is *Codex Theodosianus*, XIII. 5. 24, which exempts *navicularii* from customs exactions. Other groups also managed to obtain such privileges, former soldiers and *palatini*, for instance: *ibid.*, XI. 12. 3. Some others exploited sundry connections to the imperial fisc and household, at least on occasion successfully, in order to gain exemption from customs and other trade-related taxes, judging from the need for emperors to restrain such practices: *ibid.*, XIII. 1. 5 and 21.

<sup>54</sup> Pace Banaji, *Agrarian Change in Late Antiquity*.

<sup>55</sup> Such as Temin, 'Market Economy in the Early Roman Empire', 179, makes it out to be.

commodities can be brought to the most attractive market, and that people are generally free to pursue and understand their best economic interests. In real life this is rarely the case and transaction costs are therefore high. One consequence of this is that an economy may have different equilibria, all depending on how costly it is to transact. Basically this means that markets may not always tend towards the theoretically most efficient distribution of economic resources. Transaction costs frequently make it unprofitable or very risky to seek to realize the gains of trade.<sup>56</sup>

In general, this situation seems characteristic of markets in the Roman empire. A pre-industrial economy beset by chronic transportation and information problems, it did not compensate by underwriting a strong mercantile order such as Hume had realized was necessary to create a prosperous commercial society.<sup>57</sup> The political economy of the empire had never depended for its basic functioning on realizing the gains of trade. As a result, the less favourable conditions of the market sector in the late Roman world had no seriously adverse effects on global economic performance. In other words, to say that there were markets in the Roman world is not the most significant or interesting observation to make about the economy. Rather, if markets functioned at a suboptimal level, other organizational principles may have proved competitive, or even more efficient, in generating economic activity. It is time to search for these. The remaining parts of this article will attempt to delineate a simple alternative model of the political economy of the Roman empire. In the next three sections the basic, elementary components of the model are presented. They are peasant economy and imperial tribute,

<sup>56</sup> See the work of Nobel laureates Joseph Stiglitz, 'Markets, Market Failures, and Development', *Amer. Econ. Rev.*, lxxix, 1 (1989); Douglass C. North, 'Economic Performance through Time', <<http://www.nobel.se/economics/laureates/1993/north-lecture.html>>; Douglass C. North, *Institutions, Institutional Change and Economic Performance* (Cambridge, 1990); George A. Akerlof, 'The Market for "Lemons"', *Quart. Jl Econ.*, lxxxiv (1970).

<sup>57</sup> For some further observations on market imperfections in the Roman empire, see Peter Fibiger Bang, 'Imperial Bazaar — Towards a Comparative Understanding of Markets in the Roman Empire', in Peter F. Bang, Mamoru Ikeguchi and Hartmut G. Ziche (eds.), *Ancient Economies, Modern Methodologies: Archaeology, Comparative History, Models and Institutions* (Bari, 2006); and, for the relative lack of political support of merchant interests, see Jean Andreau, 'Les Commerçants, l'élite et la politique romaine à la fin de la République', in Zaccagnini (ed.), *Mercanti e politica nel mondo antico*.

portfolio capitalism — the process whereby the politically extracted agricultural surplus is mobilized and rendered disposable through the mediation of market institutions — and, finally, protection costs. The last section then attempts to show how the combination of these factors can explain the development of Roman trade and economy from the Middle Republic to Late Antiquity much better than a market interpretation. Tributary empire, understood as a protection-producing enterprise, was much more important in shaping the economic performance of the Roman world than ‘the market’.<sup>58</sup>

### III

#### PEASANT ECONOMY AND TRIBUTARY MOBILIZATION OF SURPLUS RESOURCES

The starting point for any global analysis of the imperial economy must be its basis in peasant society. The statement that the empire rested on the backs of millions of peasants is far from banal. It cannot be trivialized and made relatively insignificant in assessing the character of the Roman economy.<sup>59</sup> Peasant economies have distinct, well-known characteristics of their own. Peasant production is not primarily determined by the profit motive and intended for the market. Production tends to be aimed at the consumption needs of the basic production unit — the peasant household. The peasant family works until it has fulfilled its needs. Considerations of profitability do not easily enter the picture. The head of the household cannot lay off his children or wife if that should prove the best way to achieve the most efficient

<sup>58</sup> Willem M. Jongman, ‘The Roman Economy: From Cities to Empire’, in Lukas de Blois and John Rich (eds.), *The Transformation of Economic Life under the Roman Empire* (Amsterdam, 2002), argues that pre-industrial historians in general have been too focused on trade. Obviously I have much sympathy with this view. It is inspired by Henri Willy Pleket’s comparisons of the Roman and early modern European economy: see his ‘Wirtschaft’, in Friedrich Vittinghoff (ed.), *Europäische Wirtschafts- und Sozialgeschichte in der römischen Kaiserzeit* (Stuttgart, 1990). But, as will be demonstrated by this article and the model presented, there were crucial differences in economic organization between these two worlds which Pleket and Jongman tend to underestimate.

<sup>59</sup> Temin, apparently, is confident that this need not detain us. Though he guesstimates that more than half of production in the empire was consumed within the producing household, he holds this to be of little relevance to the question of the character of the economy. It must still have been a market economy, he somehow maintains. See Temin, ‘Market Economy in the Early Roman Empire’, 180.



organization of farm work. In practice, peasant households are very often underemployed. They have untapped labour resources. So far, this is all classic Chayanov, the great Russian economist and theorist of the production logic of the peasant household. His model was based on the isolated farm.<sup>60</sup> Peasants, however, do not exist in isolation. They are also part of wider social and economic networks. A crucial problem of all peasant economies is how these networks manage to mobilize the surplus resources of peasant producers.<sup>61</sup>

Market trade is one such mechanism for inducing the peasant to expand production. But the market has often proved a dangerous ally to peasants; it increases their vulnerability to adverse exogenous influences. Crop specialization poses many risks. In years of failing harvests, too much reliance on one marketable crop may see the peasant seriously short of subsistence needs and thus threaten the survival or independence of the household. Low prices in the market may be equally dangerous to the peasant household. They make it difficult for small producers to earn enough from their harvest to meet their monetary obligations and pay their living expenses. Traditionally peasants have only directed a relatively small part of their production to the market. In historical perspective, various politically extracted rents have been far more important in mobilizing the agricultural surplus.<sup>62</sup>

<sup>60</sup> A. V. Chayanov on the *Theory of Peasant Economy*, ed. Daniel Thorner, Basile Kerblay and R. E. F. Smith, foreword Teodor Shanin (Manchester, 1986). For some more modern literature, see n. 62; also Teodor Shanin, *Defining Peasants: Essays Concerning Rural Societies, Expolary Economies, and Learning from Them in the Contemporary World* (Oxford, 1990); Barbara Harriss-White (ed.), *Agricultural Markets from Theory to Practice: Field Experience in Developing Countries* (Basingstoke, 1999).

<sup>61</sup> This, for instance, is the problem which fuelled the endless Marxist discussions three decades ago about the different modes of production characterizing the pre-industrial world.

<sup>62</sup> On the various ways that peasants are integrated in wider networks, I find particularly useful: Daniel Thorner, 'Peasant Economy as a Category in Economic History', in M. I. Finley (ed.), *Deuxième Conférence Internationale d'Histoire Économique, Aix-en-Provence, 2 vols.* (Paris, 1965); Eric R. Wolf, *Peasants* (Englewood Cliffs, 1966). For the ancient world, see Peter Garnsey's discussion in his *Famine and Food Supply in the Graeco-Roman World: Responses to Risk and Crisis* (Cambridge, 1988), esp. ch. 4, which is particularly instructive. See also L. de Ligt, 'Demand, Supply, Distribution: The Roman Peasantry between Town and Country-Side', *Münstersche Beiträge zur antiken Handelsgeschichte*, ix (1990); x (1991); Paul Erdkamp, *The Grain Market in the Roman Empire: A Social, Political and Economic Study* (Cambridge, 2005), ch. 2. Peregrine Horden and Nicholas Purcell, *The Corrupting Sea: A Study of Mediterranean History* (Oxford, 2000), esp. chs. 6 and 9, exaggerate the

One kind of rent, albeit extreme, is slavery. It mobilizes surplus resources by forcibly breaking up the household and appropriating all the labour of the individual members through complete political subjection.<sup>63</sup> Most kinds of rent are considerably less demanding, though they may weigh heavily enough on the shoulders of peasants. But they share with slavery the characteristic that they induce the peasant to work harder on the basis of a relationship of political dominance. The ancient world consisted of scores of cities maintained by local aristocracies dominating the countryside and deriving rents from their landed possessions, whether cultivated by peasants or slaves.<sup>64</sup>

There were relatively strict limits on the size of the agricultural surplus which such elites were capable of commanding. Their extractive capacity was based on a local position of power, their reach geographically very circumscribed. Again, commercial exchange between cities was one way of overcoming this limitation. It was a frequently used strategy, but one beset by great problems. Pre-industrial long-distance trade was subject to significant constraints. It was generally a high-risk enterprise. Commercial wealth was transient. For much of history, merchants have found it difficult to compete with aristocratic,

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role of ecologically imposed 'integration' at the cost of paying insufficient attention to social forces. The basic Mediterranean ecology, however, can hardly provide the explanation for differences between historical societies and periods. These must be found in social relations. See Peter Fibiger Bang, 'The Mediterranean: A Corrupting Sea? A Review-Essay on Ecology and History, Anthropology and Synthesis', *Ancient West and East*, iii, 2 (2004).

<sup>63</sup> I realize it is unorthodox to include slavery in a discussion of rent. However, defined as political exploitation — and that is what we are interested in here — rent can easily accommodate slavery.

<sup>64</sup> Finley, 'Ancient City'. Irrespective of where one may stand in the debates about aristocratic incomes from trade and the possible existence of producer/merchant cities in antiquity, the general predominance of rents in sustaining ancient urbanization is not really to be doubted: cf. also the discussion by Erdkamp, 'Beyond the Limits of the "Consumer City"'. Mogens Herman Hansen, 'The Concept of the Consumption City Applied to the Greek Poleis', in Thomas Heine Nielsen (ed.), *Once Again: Studies in the Ancient Greek Polis* (Stuttgart, 2004), rejects the consumer-city model for Ancient Greece because most Greek *poleis* were 'Ackerbürger' cities — in other words, small conurbations of peasants. Finley, however, was well aware of this fact, as is clear from the concluding example: Finley, 'Ancient City', 326–7. But most such *poleis* can hardly be called cities in economic terms. They were effectively peasant villages with very modest populations of, say, 500–2,000 people. Aristocratic rents play a crucial role where urbanization developed beyond this level.

landed property in the long term. Successful merchants of most ages have been quick to follow the advice offered by Cicero, in his manual *On the Duties* of a gentleman, and convert their wealth to the solid dignity of landed possessions.<sup>65</sup>

One serious problem was transport. It has become fashionable to dismiss such a view as unduly pessimistic.<sup>66</sup> But the Romans were very well aware of the limits imposed by pre-industrial transport technology. In the *Theodosian Code*, one ruling condemned the practice of taxing inland cities at the same level as coastal communities. The costs of carting the tax produce out of these areas were simply too great a burden on the cities. They generally exceeded the tax proceeds, as the imperial rhetoric put it.<sup>67</sup> On top of this, there was the problem of acquiring a solid social network in foreign communities, a precondition for enabling stable

<sup>65</sup> Cicero, *De officiis*, I. 151. Paul Veyne's 'Vie de Trimalchion', *Annales ESC*, xvi (1961), remains strong on this. It was partly this insight which has led some, perhaps in a slightly exaggerated fashion, to speak of gentlemanly capitalism in the British empire in the eighteenth and nineteenth centuries: see A. G. Hopkins and P. J. Cain, 'Gentlemanly Capitalism and British Expansion Overseas: 1. The Old Colonial System, 1688–1850', *Econ. Hist. Rev.*, 2nd ser., xxxix (1986).

<sup>66</sup> For example Ray Laurence, *The Roads of Roman Italy: Mobility and Cultural Change* (London and New York, 1998); Horden and Purcell, *Corrupting Sea*, chs. 5 and 9, reacting against A. H. M. Jones, Finley and others. But the limitations of ancient transport technology will have significantly hampered the integration of markets: cf. Erdkamp, *Grain Market in the Roman Empire*, 184–203.

<sup>67</sup> *Codex Theodosianus*, xi. 1. 22 (AD 386). See also Bryan Ward-Perkins, 'Specialized Production and Exchange', in Averil Cameron, Bryan Ward-Perkins and Michael Whitby (eds.), *The Cambridge Ancient History*, xiv, *Late Antiquity: Empire and Successors, AD 425–600* (Cambridge, 2000), 387, who points out how the discontinuation of the *cursus publicus* in an inland area deprived the local landowners of their primary source of cash income. Marketing networks did not reach sufficiently far into this region to offer an alternative channel for procuring the coins with which to defray their taxes. On the limits of transport, see Duncan-Jones, *Structure and Scale in the Roman Economy*, ch. 1; and the nuanced comments of Keith Hopkins, 'Models, Ships, and Staples', in Peter Garnsey and C. R. Whittaker (eds.), *Trade and Famine in Classical Antiquity* (Cambridge, 1983). In his analysis of the small African inland town of Segermes, Peter Ørsted suggests that export of agricultural products in a year of abundant harvest may not have happened to the theoretically full extent. A generous olive crop, for instance, would have considerably depressed prices and might not have been able to absorb the unchanged costs of transport. Export, therefore, is likely to have occurred on a more reduced scale, with parts of the crop either left unused — as suggested by Peter Ørsted *et al.* (eds.), *Africa Proconsularis*, iii (Copenhagen, 2000), 177–8 — or exploited by the locals as a cheap and abundant source of lamp oil to prolong the nights of study. The latter is implied by Augustine in a stray remark on the darkness prevailing at night time in Italy as compared with his place of origin: see his *De ordine*, I. 3. 6; and also Eugène Albertini, 'Un témoignage de Saint Augustin sur la prospérité relative de l'Afrique au IV<sup>e</sup> siècle', in *Mélanges Paul Thomas: recueil de mémoires concernant la philologie classique dédiée à Paul Thomas* (Bruges, 1930).

commercial exchanges to take place between localities. This is not to be trivialized either. A small letter among the *Oxyrhynchus papyri* may illustrate the problem. The sender praises the influence of a local bigwig, the addressee, by complimenting the ability of the latter to safeguard his interests in the local community even while absent. Most people were less fortunate — outsiders in particular. They would have found it much more difficult to secure their interests.<sup>68</sup> Taken together, these two points remind us that there were many things working in favour of local self-sufficiency. The myriad local communities of the ancient world, as of the pre-industrial in general, were not easily penetrated. They were like little cells with a crust which needed to be broken in order to mobilize their economic resources. The application of force was frequently needed.

In the early modern world, states began to respond to this challenge by privileging trade. A repertoire of mercantilist measures was developed, which sought to uphold, maintain and even force the continuance of trade between separate localities. A sundry array of colonial monopolies and regulations was introduced to ensure that colonies in the New World would continue to be economically dependent on the metropolis. Military power and wars became tools to open up, acquire and defend access to markets. Tribute and plunder, however, were alternatives to trade.<sup>69</sup> Forcing one's way through the crust, sword in hand, created immediate opportunities for the direct confiscation of wealth. Through military raids and conquests, a community and its ruling aristocracy expanded the aggregate volume of

<sup>68</sup> *The Oxyrhynchus Papyri*, lv, ed. and trans. J. R. Rea (London, 1988), no. 3814. The comment of Cicero, *Actio secunda in Verrem*, v. 167, implies a general need for merchants to have people who could vouch for them in foreign harbours. On this, see Bang, 'Imperial Bazaar'.

<sup>69</sup> Niels Steensgaard, *Carracks, Caravans and Companies: The Structural Crisis in the European-Asian Trade in the Early 17th Century* (Lund, 1973), provides the best available analysis of the difference between the application of force for the purpose either of trade or of tribute. The book was republished the following year under a different title: Niels Steensgaard, *The Asian Trade Revolution of the Seventeenth Century: The East India Companies and the Decline of the Caravan Trade* (Chicago and London, 1974). See also Kenneth Pomeranz, *The Great Divergence: China, Europe, and the Making of the Modern World Economy* (Princeton, 2000), esp. 242–63; Immanuel Wallerstein, *The Modern World-System*, i (San Diego, 1974); and, for the significance and function of mercantilist strategies, Jan de Vries, *The Economy of Europe in an Age of Crisis, 1600–1750* (Cambridge, 1976). For an attempt to introduce world-systems analysis to the Roman economy, see Greg D. Woolf, 'World-Systems Analysis and the Roman Empire', *Jl Roman Archaeol.*, iii (1990).

economic resources available for political exploitation.<sup>70</sup> Empire, in short, was a mechanism for mobilizing wealth — a way of generating “free-floating” resources’, to borrow a felicitous expression from S. N. Eisenstadt.<sup>71</sup> The Romans were unashamedly candid about this. ‘I hear there is not an ounce of either gold or silver in Britain. If that is true, my advice is to lay hold of a chariot and hurry back to us at full speed!’, Cicero half-jokingly wrote to his protégé Trebatius, who had joined Caesar in the invasion of Britain.<sup>72</sup> In the *Commentaries* on the Gallic campaign, the very same Caesar conveyed to his Roman audience a strong (exaggerated) contrast between Gauls and Germans. The latter were poor, but bellicose, uninterested in agriculture; the former richer, but docile and more familiar with the delicate amenities of civilization. He had no need to say more. This would suffice to make his readers understand why his effective conquests stopped at the Rhine. The Germans were too much trouble — not really worth the effort.<sup>73</sup>

Empire was about tribute, first and foremost. The young Nero, in a generous mood, was instantly reminded about this fact of life. Faced with numerous complaints about the abusive conduct of customs officials, the emperor had magnanimously suggested abandoning the collection of *portorium*. This provoked strong and immediate resistance in the senate, Tacitus reports. Abandoning taxes was a slippery slope to tread. The next thing would be demands for abolishing the land tax, the ‘assembled fathers’ objected, thus threatening the *dissolutio imperii*.<sup>74</sup>

<sup>70</sup> Note how Aristotle, *Politics*, 1. 3. 8, counts war among the occupations.

<sup>71</sup> S. N. Eisenstadt, *The Political Systems of Empires* (New York, 1963), 27: “free-floating” resources, i.e., resources — manpower, economic resources, political support, and cultural identifications — not embedded within or committed beforehand to any primary ascriptive-particularistic groups. It also created a reservoir of generalized power, in the society, not embedded in such groups, that could be used by different groups for varying goals’.

<sup>72</sup> Cicero, *Ad familiares*, vii. 7: ‘In Britannia nihil esse audio neque auri, neque argenti. Id si ita est, essedum aliquod suadeo capias, et ad nos quam primum recurras’. English translation: Cicero, *Letters to Friends*, i, ed. and trans. D. R. Shackleton Bailey (Cambridge, Mass., 2001), letter 28.

<sup>73</sup> Caesar, *Bellum Gallicum*, vi. 11–29. 1. Eduard Norden’s analysis of the excursus, in his *Die germanische Urgeschichte in Tacitus Germania* (Leipzig, 1923), 84–105, is still excellent; a similar view of empire is made explicit by Strabo in his *Geographia*, II. 5. 8. In his view an annexation of Britain would be pointless. The Britons did not constitute a military threat, nor would the province bring in sufficient tribute to make an occupation profitable.

<sup>74</sup> Tacitus, *Annales*, XIII. 50.

Empire suffers from bad press nowadays. But for much of history, it has been very competitive, and generally much more efficient than the market in mobilizing resources. Imperial Rome, created on the spoils of empire, remained unsurpassed in Europe and the Middle East throughout pre-industrial history. Only by the turn of the eighteenth century did London reach a comparable size by 'uniting extensive commerce and middling empire', as Hume aptly phrased it.<sup>75</sup>

#### IV

##### REDISTRIBUTION AND PORTFOLIO CAPITALISM

The view of empire presented here may seem to fall back on Polanyi's mechanism of redistribution organized by a central state. But Polanyi's concept takes too simplistic a view of the process of redistribution. The Roman imperial state was too small, its requirements too extensive and society's needs too complex to fit his model. The imperial bureaucracy was not large enough to effectuate the level and detail of control needed to organize the economy on its own. In Polanyi's theoretical universe, redistribution and a planned economy are practically identical phenomena.<sup>76</sup> This is anachronistic, out of place in a Roman context and hardly needs arguing. State requirements were simply too wide-ranging and vast to allow of such a scenario. Even in the Late Empire, when large state manufactories began producing a sizeable portion of army equipment such as uniforms, private suppliers were still needed.<sup>77</sup> The relationship between these people and the state escapes easy definition. Private suppliers would frequently have been met with demands to part with goods below market rates.<sup>78</sup> On the other hand, the

<sup>75</sup> Hume, *Selected Essays*, 265 (*On the Populousness of Ancient Nations*). On Rome, see Neville Morley, *Metropolis and Hinterland: The City of Rome and the Italian Economy, 200 BC – AD 200* (Cambridge, 1996).

<sup>76</sup> Karl Polanyi, Conrad M. Arensberg and Harry W. Pearson (eds.), *Trade and Market in the Early Empires: Economies in History and Theory* (Glencoe, Ill., 1957), 256.

<sup>77</sup> Jones, *Later Roman Empire*, ii, 837; see also Carrié, 'Les Échanges commerciaux et l'État antique tardif'.

<sup>78</sup> *The Oxyrhynchus Papyri*, xii, ed. Bernard P. Grenfell and Arthur S. Hunt (London, 1916), no. 1414, gives a set of proceedings of the Oxyrhynchite city council debating the proper remuneration rates to both merchants and weavers in connection with deliveries of cloth to the army. Some of these appear to be considerably below the going market rate. But the council also makes adjustments in the face of complaints from the weavers. Allan Chester Johnson, *Roman Egypt to the Reign of Diocletian*

very fact that Diocletian needed to promulgate the edict on maximum prices advertises the inability of the state always to have its way in these dealings.<sup>79</sup> Private production and supply networks were not simply subsumed in the administrative system. They retained a measure of independence and bargaining power in their relationship with imperial officials.

Finally, the larger concentrations of surplus resources created by empire also generated a much more elaborate and diversified culture of consumption in the Roman world. The court, closely followed by the imperial and provincial aristocracies, set new and much more exacting standards for luxury consumption and political expenditure. The imperial style of consumerism even left a mark on groups lower down the rungs of the social ladder, who also attempted to share in the splendour of the court and urban society, albeit in their own very modest way. The greater demand for refinement, particularly in the upper echelons of society, caused the range of products and the catchment area of rarities to expand enormously. As the polymath Pliny the Elder observed: 'I am, indeed, less surprised that some things should be unknown to men of the equestrian order . . . than to luxury whose power is so very great and efficacious that forests are searched for ivory and citrus-wood, every rock of Gaetulia examined for murex and purple'.<sup>80</sup> This made the intermediary involvement of markets indispensable. A considerable part of agricultural tribute and rents needed conversion into other products not immediately available to the political elites. Both imperial state and aristocracy commanded far more primary agricultural produce than they

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(Economic Survey of Ancient Rome, ii, Baltimore, 1936), no. 437, suggests an early fourth-century date for the papyrus.

<sup>79</sup> The preamble frowns on speculating merchants and prices rising in response to sudden surges in demand caused by army units trying to procure supplies: *Diokletians Preisedikt*, ed. Siegfried Lauffer (Berlin, 1971), contains the text.

<sup>80</sup> Pliny the Elder, *Naturalis Historia*, v. 12. Ward-Perkins, *Fall of Rome and the End of Civilization*, ch. 5, rightly insists that the diversity and level of Roman material culture was greater than both before and after the empire. On the lead of the court and the aristocracy in promoting this culture of consumption, which then also to some extent trickled further down the social hierarchy, see Paul Zanker, *The Power of Images in the Age of Augustus*, trans. Alan Shapiro (Ann Arbor, 1988), chs. 7–8; Andrew Wallace-Hadrill, *Houses and Society in Pompeii and Herculaneum* (Princeton, 1994), ch. 7; Greg Woolf, 'Regional Productions in Early Roman Gaul', in David J. Mattingly and John Salmon (eds.), *Economies beyond Agriculture in the Classical World* (London and New York, 2001).

could put to good use. Instead, they needed a flexible medium — money. Coins and precious metals could be used to obtain goods which the state and the elites did not control directly; and they could be stored much more efficiently, and quickly employed in the jockeying for political position whenever needed.<sup>81</sup>

The agricultural surplus, in other words, had to be rendered flexible and free-floating, transformed into disposable resources. Some of this could be achieved through direct command, and through more regular redistributive allocation of goods between different branches of the government and the great households.<sup>82</sup> But a far from insignificant part required the mediation of market institutions, to a greater or lesser extent.

Understanding the link between the extraction of agricultural revenues and commercial activities in agrarian empires has been a main concern of historians of seventeenth- and eighteenth-century India. They describe it as ‘portfolio capitalism’.<sup>83</sup> The concept is a development of Weber’s notion of political capitalism originally based on Roman examples.<sup>84</sup> This suggests that it may be applicable to the Roman situation. The notion of portfolio capitalism draws attention to the need for revenue-extracting groups to avail themselves of commercial services and credit operations in order to mobilize the agricultural surplus.<sup>85</sup>

<sup>81</sup> It was Keith Hopkins who, in 1980, drew attention to the need to convert the agricultural surplus into money: see his ‘Taxes and Trade in the Roman Empire’; see also his later restatement of the argument in answer to his critics, published in 2002: Hopkins, ‘Rome, Taxes, Rents and Trade’. The landowning aristocracy, no less than the state, needed to avail itself of markets in order to convert its agricultural resources into the disposable medium of money. These were a prerequisite for acquiring all the trappings of the sophisticated urban high culture which characterized Graeco-Roman civilization. Hence cities, with their markets, continued to thrive long into the late antique period in many parts of the empire. Cf. Hartmut Ziche, ‘Integrating Late Roman Cities, Countryside and Trade’, in Bang, Ikeguchi and Ziche (eds.), *Ancient Economies, Modern Methodologies*.

<sup>82</sup> As argued by Whittaker, ‘Late Roman Trade and Traders’; and further in his *Frontiers of the Roman Empire*, ch. 4.

<sup>83</sup> Sanjay Subrahmanyam and C. A. Bayly, ‘Portfolio Capitalists and the Political Economy of Early Modern India’, *Indian Econ. and Social Hist. Rev.*, xxv, 4 (1988).

<sup>84</sup> Max Weber, ‘Agrarverhältnisse im Altertum’, in his *Gesammelte Aufsätze zur Sozial- und Wirtschaftsgeschichte* (Tübingen, 1924); see also John R. Love, *Antiquity and Capitalism: Max Weber and the Sociological Foundations of Roman Civilisation* (London, 1991).

<sup>85</sup> Elio Lo Cascio, ‘Forme dell’economia imperiale’, in Arnaldo Momigliano and Aldo Schiavone (eds.), *Storia di Roma*, ii, *L’impero mediterraneo* (Turin, 1991), pt 2, ingeniously attempted to place Rostovtzeff’s market-centred analysis within a framework of Weberian political capitalism. The notion of portfolio capitalism takes this one step further by dissolving the inner tensions in his solution. Processes of market



Intensified collection of rent and tribute generates development of merchant and banking groups in the economy. Furthermore, aristocratic households will also seek to gain direct access to the world of commercial and credit services by diversifying their economic activities — their ‘portfolios’ — in order to expand the range of resources they command. Frequently they will attempt to complement agricultural revenues with involvement in state contracts, revenue collection and prosperous luxury trades so as to increase the share of disposable resources available to them in the form of liquid wealth.

This presumably provides the explanatory model for the so-called Muziris papyrus, dating from the High Empire. This papyrus has revealed the existence in the Rome–India trade of cargoes of such value, and extension of credit on such a level, that direct involvement of rich senatorial or equestrian households appears certain. Few, if any, outside these aristocratic groups would have been able to command wealth in the range of several times the legal minimum fortune of a Roman senator, as implied by the sum total of almost 7 million HS (sesterces) recorded in this document.<sup>86</sup> As it happens, however, it is the late Roman world that has produced the crucial evidence which allows us to follow the processes of portfolio capitalism into its operations in the countryside, where it forged the central link between commercial services and the extraction of the agricultural surplus. But one cannot really doubt its existence in the preceding periods when the state apparatus was even smaller and its dependence on such activities presumably correspondingly larger.<sup>87</sup>

(n. 85 cont.)

exchange were not prevented from developing into modern forms of capitalism by the predominance of political exploitation. Rather, they were an integrated element in the functioning of political exploitation by enabling a greater and more diversified mobilization of the surplus.

<sup>86</sup> See L. Casson, ‘New Light on Maritime Loans: P. Vindob. G 40822’, *Zeitschrift für Papyrologie und Epigraphik*, lxxxiv (1990); Federico De Romanis, *Cassia, cinamomo, ossidiana: uomini e merci tra Oceano indiano e Mediterraneo* (Rome, 1996); Dominic Rathbone, ‘The “Muziris” Papyrus (SB XVIII 13167): Financing Roman Trade with India’, *Bulletin de la Société Archéologique d’Alexandrie*, xlvi (2001).

<sup>87</sup> Peter Ørsted, *Roman Imperial Economy and Romanization: A Study in Roman Imperial Administration and the Public Lease System in the Danubian Provinces from the First to the Third Century AD*, trans. David Gress (Copenhagen, 1985), explores the relationship between state contracts, mining and the formation of provincial elites. E. Badian, *Publicans and Sinners: Private Enterprise in the Service of the Roman Republic*, 2nd edn (Ithaca, 1983), is the basic study of state contractors. The speech of Cicero *De*

(cont. on p. 35)

A fourth-century archive from Oxyrhynchus, containing records of the activities of the brothers Papnuthis and Dorotheus, documents the existence of most of the basic mechanisms of portfolio capitalism in Roman Egypt. The brothers can best be described as belonging to a sort of service gentry. We find them engaging in the managing of landed property and serving as assistants to the district official, the *praepositus pagi*. As such they were occupied in the direct collection of taxes from the villages around Oxyrhynchus. This involved them in various credit operations and commercial activities. In one letter, we find the brothers corresponding about the current prices of gold *solidi*:

To my lord brother Papnuthis, greeting from Dorotheus. You did well to write to me about the *solidi*, for I inquired and found the quantity with the Alexandrian at 1,350 (+ ?) myriads of *denarii*. Make haste therefore to send me the money tomorrow, seeing that there has been a rumour about the gold for the recruits (*aurum tironicum*) and everyone is looking for *solidi* and the price is going up every day. But send me the money quickly so that we can buy.<sup>88</sup>

Some taxes had to be paid in gold. But the tax obligation of many individual households fell far below the value of a gold coin. This introduced an extra stage to the process of tax collection. After receiving payments in base metal coinage, the brothers had to seek out money changers and buy the amount of gold coins due to the state. As is clear from the letter, this involved a not inconsiderable element of speculation. The need to procure the means of tax payment in the money market had an immediate effect on the price of gold. The brothers had to make haste in order to avoid loss or to make a profit.

This is a very instructive example of how an agricultural surplus is mobilized through intermediate commercial activities: monetary conversion turns the surplus into disposable resources. In this process, service groups closely linked with market and credit operations emerge. The transaction in this case involved both the tax collectors and a money changer, the shadowy

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*imperio Cn. Pompei* is a textbook case of the link between private business and credit operations, and the extraction of imperial tribute — here from the province of Asia.

<sup>88</sup> *The Oxyrhynchus Papyri*, xlviii, ed. M. Chambers *et al.* (London, 1981), no. 3401 (editor's translation). The dossier of Papnuthis and Dorotheus (nos. 3384–3429 in this volume) was edited by John Shelton. For a treatment of the activities of the brothers and monetary conversions involved in the process of tax collection, see Carrié, 'Observations sur la fiscalité du IV<sup>e</sup> siècle pour servir à l'histoire monétaire', esp. 139–50.

Alexandrian. Some of the other documents in the dossier reinforce this interpretation. The brothers seem routinely to have obtained loans by which to pay taxes in advance. Only afterwards did they intend to proceed with the actual collection, expecting to be able both to defray the interest to their creditors and, presumably, to make a profit for themselves.<sup>89</sup> The documents, however, also reveal a different aspect of portfolio capitalism well known from the Indian case. The close involvement in the political exploitation of the countryside made the position of these intermediate groups somewhat insecure. We have already seen how markets were prone to violent fluctuations in reaction to the payment of taxes, thereby increasing the element of speculation. The position of individual actors was also vulnerable to the constant shifts in political alliances and the volatile balance of power characterizing elite society or simply the changing interests of their political patron.<sup>90</sup> Papnuthis' and Dorotheus' activities are known to us in greater detail, not least because they gave rise to a disagreement with their superior, Eulogius, a member of the council. According to the brothers, Eulogius had engaged them to collect the taxes from the village of Terythis, and had made them pay the amount in advance, only to deny them the right to collect what was due afterwards. Instead, he had sent his son and another assistant to claim the revenue, throwing Papnuthis and Dorotheus on the mercy of their creditors.<sup>91</sup>

It is difficult to gauge the realities behind this claim. Legal petitions are not disinterested documents. They normally aim to present the plight of the allegedly wronged party in the most heartbreaking and miserable way possible. Though very real, it is important not to exaggerate the vulnerability of people like our two brothers. After all, they were still engaged in the collection of rural taxes six years after the incident.<sup>92</sup> Volatile markets, advance payments, credit and dependence on alliances with political superiors all posed

<sup>89</sup> A good impression of the financial activities linked with the collection and payment of taxes is provided by *Oxyrhynchus Papyri*, xlvi, nos. 3393, 3394, 3937, 3419 (ed. Shelton).

<sup>90</sup> Several letters in Pliny's Bithynian correspondence show the constant rivalling, jockeying for position, and volatile fortunes of even municipal politics: Pliny the Younger, *Epistulae*, x, 56–60, 71–2.

<sup>91</sup> *Oxyrhynchus Papyri*, xlvi, nos. 3393–4 (ed. Shelton).

<sup>92</sup> *Ibid.*, no. 3395 dates from AD 371, while no. 3393 is from AD 365.

risks to intermediaries like Papnuthis and Dorotheus. But people of their kind were necessary to the functioning of the collection of agricultural revenues. This did impose a limit, of sorts, on how hard they could be pressed. One of the letters preserved in the *Variae* of Cassiodorus explains: 'For frequently when you are forced [by state demands] to sell to outsiders, you experience a loss, especially at a time when foreign traders are absent and gold difficult to get hold of since the merchants you know are not present'.<sup>93</sup> Both the forced requisitions and the purchases of products or the payment of monetary demands made by the state were more easily accomplished in the trading season. During this time of year the potential for conflict and resistance was at a low. Landowners would not have to accept unrealistically low market prices as the basis for calculating remuneration rates for deliveries in kind; nor would they be compelled to part with an unnecessarily large part of their stocks in order to defray their monetary obligations towards the tax collectors. The intermediate groups were integral to the smooth operation of the collection of revenues. They oiled the wheels of surplus-extraction, eased collection and reduced tension. During the reign of Justinian, an agreement is attested between the imperial state and the landowners of Calabria and Apulia to the effect that they paid an extra money tax in order to avoid the hassle of forced purchases (*coemptiones*). Instead, the burden of assembling the goods specified by the state was shifted onto merchants. Forced purchases were only to be made from the traders who were active in the region buying up its surplus produce from across the countryside. However, one year the merchants apparently refused to make the required deliveries to the state, and the whole system threatened to grind to a halt. Conflict was looming and the emperor had to confirm his intention that the landowners, as far as possible, were not to be bothered.<sup>94</sup> The active participation of commercial groups was indispensable to the process of mobilizing the agricultural surplus.

<sup>93</sup> Cassiodorus, *Variae*, XII. 22. 2.

<sup>94</sup> Justinian, *Appendix Constitutionum Dispersarum*, in *Corpus Iuris Civilis*, III, *Novellae*, ed. Rudolf Schoell and Wilhelm Kroll (Berlin, 1895), 802, VII §26 (AD 554): 'ut per negotiatores coemptiones fiant', treated by Jones in his *Later Roman Empire*, II, 840.

Some of the examples presented here, it will be objected, are the result of circumstances peculiar to the late Roman world and cannot be taken as illustrating the preceding periods. Peculiarities of late imperial taxation, such as the use of gold coin or superindictions, certainly all played a part in shaping the examples treated above. But the basic problems remained the same. Some taxes had to be delivered in specific form before the Dominate, too. This would, just as in Late Antiquity, sometimes have required the intermediation of traders to obtain the necessary goods and in the right quantities. The conversion of taxes set in kind to monetary payment, so-called *adaeratio*, and the need for the government to procure supplies from taxpayers, are not phenomena restricted to the late Roman empire; these practices, as well as most of the other elements of taxation discussed here, were already familiar in the age of Cicero. They all existed before Late Antiquity; we just happen to possess much less evidence concerning these periods.<sup>95</sup>

The evidence which does exist tends to confirm this conclusion. Private merchants and shippers, as is well known, had a large role to play during the Principate even in the operations of the Roman *annona* and the deliveries of Spanish olive oil to the capital, attested in the painted amphorae on Monte Testaccio. The Murecine wax tablets, too, confirm the activities of private traders in marketing Egyptian tax grain in excess of the needs of the public corn-dole, just as the writing tablets from Vindolanda allow us a glimpse of commercial operations in the supply of a frontier garrison.<sup>96</sup> Finally, throughout the entire period, the great landowners availed themselves of the services of commercial groups to mobilize agricultural surplus resources. As early as the mid-Republican period, the farm manual of Cato provides an

<sup>95</sup> As can easily be seen from Cicero's discussion of the governor Verres and his manipulation of Sicilian tax grain; it combined forced requisitions, state purchase of an extra 'tithe' as well as monetary conversion: *Actio secunda in Verrem*, III.

<sup>96</sup> For example *Tabulae pompeianae Sulpiciorum*, ed. Giuseppe Camodeca (Rome, 1999), no. 45; Alan K. Bowman and J. David Thomas, *The Vindolanda Writing-Tablets (Tabulae Vindolandenses II)* (London, 1994), nos. 343, 344. For a balanced analysis of the Roman *annona*, see Garnsey, *Famine and Food Supply in the Graeco-Roman World*, 231-9. Rickman, *Corn Supply of Ancient Rome*, is excessively 'free' market oriented. See also Sirks, *Food for Rome*; De Salvo, *Economia privata e pubblici servizi nell'impero romano*. Additionally, on the private element in the deliveries of Spanish oil to the capital, see Bernard Liou and André Tchernia, 'L'Interpretation des inscriptions sur les amphores Dressel 20', in *Epigrafia della produzione e della distribuzione: actes de la VII<sup>e</sup> rencontre franco-italienne sur l'épigraphie du monde romain* (Rome, 1994).

example of a contract for the advance purchase of the harvest. A famous letter of Pliny the Younger confirms that this practice was not unusual around the turn of the first century AD.<sup>97</sup> Intermediary commercial groups, active in the mobilization of the agricultural surplus, had built up in the countryside long before the empire of Diocletian and Constantine.

## V

### TRIBUTE AND PROTECTION COSTS

The predominant place in the economy occupied by the nexus of tribute, rent and portfolio capitalism can be described in terms of protection costs. The notion of protection costs has been most fully developed by Frederic C. Lane and Niels Steensgaard in the field of economic history.<sup>98</sup> The political extraction of tribute and rent can be viewed as the exaction of a payment for protection. Protection is not simply a government service; it is also an economic good. This appears with particular clarity whenever we find cities buying off invaders to avoid being plundered. The Greek communities on the Black Sea littoral habitually entered into negotiations with invading Thracian and Scythian tribes to set the price for their retreat to the inland regions again without plundering the city territories.<sup>99</sup> Tribute and rents are more permanently institutionalized expressions of this mechanism. Ultimately it is the threat of the use of force which secures their payment. In return for tribute or rent the collector leaves the

<sup>97</sup> Cato, *De agricultura*, 146–7; Pliny the Younger, *Epistulae*, VIII. 2. For an excellent recent treatment of the creation of links between landowners and merchants, see Neville Morley, 'Markets, Marketing and the Roman Élite', in Elio Lo Cascio (ed.), *Mercati permanenti e mercati periodici nel mondo romano* (Bari, 2000), though he may underestimate the importance of auctions in advance sales. Cato's discussion in his *De agricultura*, 146, includes a comment on the payment of a *praeco*, who evidently had organized an auction to sell the olives on the tree. Auction sales in the Roman economy have been treated by Jean Andreau in his *La Vie financière dans le monde romain: les métiers de manieurs d'argent (IV<sup>e</sup> siècle av. J.-C. – III<sup>e</sup> siècle ap. J.-C.)* (Rome, 1987), 588–97, and in Jean Andreau, *Les Affaires de Monsieur Jucundus* (Rome, 1974).

<sup>98</sup> Frederic C. Lane, *Profits from Power: Readings in Protection Rent and Violence-Controlling Enterprises* (Albany, 1979); Niels Steensgaard, 'Violence and the Rise of Capitalism: Frederic C. Lane's Theory of Protection and Tribute', *Review*, v, 2 (1981).

<sup>99</sup> For example *Sylloge Inscriptionum Graecarum*, 3rd edn, ed. Wilhelm Dittenberger, 4 vols. (Leipzig, 1915–24), no. 495; *Supplementum Epigraphicum Graecum*, xxiv, no. 1095. See also Polybius, *Historiae*, IV. 45–6; Vincent Gabrielsen, 'Economic Activity, Maritime Trade and Piracy in the Hellenistic Aegean', *Revue des études anciennes*, ciii, 1–2 (2001).

payer alone. At the same time, the collector of either tribute or rent will seek to prevent others from claiming similar dues in the area under his control. He is, in other words, producing protection. In pre-industrial economies, the cost of protection was one of the most important economic variables. The technological limits on production potential were quite narrow. Protection costs had a much wider span of variation. This is why war was generally perceived as a means of obtaining wealth, and a very efficient one at that.

From this perspective the Roman empire may be seen as a protection-producing enterprise. The price of imperial protection has two components: the net costs incurred by the state in producing the necessary violence; and the financial profit of the operation. Soldiers need to be paid; and, in addition to the costs of the army, states have regularly been able to claim an extra profit. In the nature of things, the sale of protection is to a large extent a monopoly business. Customers are not allowed a free choice of supplier but are presented with a claim, if not exactly non-negotiable, then certainly fairly firm. Depending on the character and strength of the monopoly enjoyed by the state, the size of the extra profit it is able to claim varies. This profit is what properly constitutes political tribute and rent. In the early modern period, intense competition within the European state-system forced states to lower the share of tribute in protection payments. Instead, they pursued a strategy of investing profits in steadily improving the quality of the protection on offer. As a result of the improved conditions, profits derived from other economic branches gradually became able to compete with tribute — the profits derived from violence. This was the birth of capitalism proper. The Roman imperial state, however, was never subject to a similar pressure to diminish the share held by tribute in the price of protection. For a very long period, it was the undisputed hegemonic power of the Mediterranean world; *pax Romana* was its expression. It used this position, I would suggest, to increase the share taken up by tribute in the total protection bill while for a long period keeping military costs at a relatively low level.<sup>100</sup>

<sup>100</sup> Gibbon had already noted the relatively small size of the Roman army: see his *Decline and Fall*, ch. 1. For a discussion of the low level of military expenditure during the Principate, see Susan P. Mattern, *Rome and the Enemy: Imperial Strategy in the Principate* (Berkeley and London, 1999). Edward N. Luttwak, *The Grand Strategy of the Roman Empire: From the First Century AD to the Third* (Baltimore, 1976), though with

In other words, instead of investing in steadily improving the level of protection, the imperial state cashed in a peace dividend. The result was a considerable expansion of political expenditure detectable across the Mediterranean world in the many ruins remaining of the splendid urban fabric erected during the heyday of Roman rule.

## VI

### A NARRATIVE OF THE ROMAN IMPERIAL ECONOMY

This view of the imperial economy may be tested in a narrative account of the Mediterranean under the hegemonic rule of Rome. It should be added immediately that it is not the intention here to make protection costs the be-all and end-all of Roman economic history. Demographic conditions, for example, are a crucial variable.<sup>101</sup> But this is not the place to attempt a comprehensive synthesis of the ancient economy. A rough sketch must suffice, designed to call attention to the potential value of a protection cost analysis for explaining some of the most significant economic developments in the history of the empire. I distinguish three broad phases of development: (1) Republican expansion and conquest of the Mediterranean basin (264–31 BC); (2) Imperial consolidation and integration of provincial aristocracies (31 BC – AD 235); (3) The late Roman world: imperial readjustment, deepening state-penetration and regional fragmentation.

#### *Phase 1*

The period of enormous conquests, almost perennial warfare and the establishment of Roman hegemony was a time of growing protection costs. Intensified competition in the Mediterranean area between a number of recently established large regional powers, such as Rome, Carthage, Macedon,

(n. 100 cont.)

an anachronistic notion of ‘grand strategy’, is fundamental on the need for the Roman emperors to economize on their use of military resources. This aspect has later been developed by Whittaker, *Frontiers of the Roman Empire*, who introduces the work of Owen Lattimore on the inner Asian frontier of the Chinese empire.

<sup>101</sup> See, for instance, the recent discussions in Walter Scheidel (ed.), *Debating Roman Demography* (Leiden, 2001); Neville Morley, ‘The Transformation of Italy’, *Jl Roman Studies*, xci (2001); Robert Sallares, *Malaria and Rome: A History of Malaria in Ancient Italy* (Oxford, 2002).



the Seleucid empire and Ptolemaic Egypt, raised military investments considerably.<sup>102</sup> These had to be financed one way or another. Analytically, we may distinguish between two strategies: improving economic performance; or intensifying political exploitation, ultimately through further conquests. The latter option was the more efficient and generally the one contemplated by contemporary actors. It could be argued, though I remain sceptical, that the Ptolemies leaned more towards the former option. Patrons of the Museion in Alexandria, they did attempt to develop the economic potential of their dominion, particularly by the huge drainage and agricultural expansion in the Fayum. Iron technology was also belatedly introduced. But there were narrow limits to how much could be achieved through this avenue.<sup>103</sup>

Roman society went decidedly down the other route and was the more successful. Enormous and unparalleled mobilization of the peasantry in the army enabled the Roman state to swallow its competitors one by one.<sup>104</sup> Military victories and provincial taxation brought fabulous wealth and resources into Roman society. As Roman power grew, tribute — the profits from protection — expanded even more. The political elite was able to build up much larger aggregations of landed property in Italy with the profits from empire and man a larger share of its holdings with scores of more easily exploitable slaves. Parts of Italy and Sicily became veritable slave societies. Exploitation increased — and not just in the provinces. The growing level of tribute found a visible expression in the growth of Rome, the capital of the

<sup>102</sup> Polybius, *Historiae*, i. 1–4, saw clearly how the political and military competition between states created a general process which gave unity to the world of the Hellenistic era. F. W. Walbank, *The Hellenistic World* (London, 1981), chs. 3–7 and 13, gives an outline of state-formation in the Hellenistic societies. Erich S. Gruen, *The Hellenistic World and the Coming of Rome* (Berkeley, 1984), describes the process of Roman conquest of the Greek East.

<sup>103</sup> The classic example of this interpretation would be Rostovtzeff, *Social and Economic History of the Hellenistic World*, i, 255–422. M. I. Finley, 'Technical Innovation and Economic Progress in the Ancient World', *Econ. Hist. Rev.*, 2nd ser., xviii (1965), refuted this argument. But it has more recently been revived, for example by Wilson, 'Machines, Power and the Ancient Economy', 7–9, with further bibliography.

<sup>104</sup> For the structural changes in Roman society, see Keith Hopkins, *Conquerors and Slaves* (Cambridge, 1978), ch. 1; also, for a synthesis of the 'Italian' version of the changes brought about by imperial conquest, see Schiavone, *La storia spezzata*, ch. 7.

empire. By the first century BC, if not before, it had grown to be the most populous city in the Mediterranean.<sup>105</sup> It was maintained by a constantly increasing level and range of political expenditure. The city received a corn-dole, countless public shows and scores of monumental buildings on an ever more ambitious scale. In the wake of this development came commercialization. Roman traders and products began to penetrate the Mediterranean. This process is exemplified in the development of wine exports from Tyrrhenian Italy to the Gallic area and the growth of a sizeable Roman trading community on the island of Delos in the Aegean.<sup>106</sup>

These phenomena were formerly, and still are to some extent, discussed in terms of a development of a capitalist market economy. It was nothing of the kind. The empire did not attempt actively to capture the gains of trade.<sup>107</sup> Its widening hegemony was not used directly to promote the interests of commerce. It is symptomatic that the Italian wine exports were taxed most heavily on the point of their departure from the empire in Narbonese Gaul.<sup>108</sup> In the eastern Mediterranean the establishment of Roman rule saw the consolidation of the much-disputed collection of customs at Byzantium from traffic passing through the Bosphorus. Rhodes, a commercial centre of the Hellenistic world, had successfully led a coalition in war against Byzantium in order to force the abolition of the toll shortly after its initial

<sup>105</sup> For the development of Rome, see Morley, *Metropolis and Hinterland*.

<sup>106</sup> André Tchernia, *Le Vin de l'Italie romaine: essai d'histoire économique d'après les amphores* (Rome, 1986); Nicholas K. Rauh, *The Sacred Bonds of Commerce: Religion, Economy, and Trade Society at Hellenistic Roman Delos, 166–87 BC* (Amsterdam, 1993).

<sup>107</sup> See Jean Andreau, 'La Cité romaine dans ses rapports à l'échange et au monde de l'échange', in Andreau, Briant and Descat (eds.), *Économie antique*. The discussion by William V. Harris, *War and Imperialism in Republican Rome, 327–70 BC* (Oxford, 1979), 68–105, shows how little even a sympathetic attempt to look at trading interests can adduce in support of a more 'mercantilist' interpretation. Harris, therefore, rightly concludes that this element was not a prominent aspect of Roman imperialism.

<sup>108</sup> Cicero, *Pro Fonteio*, 19–20; Friedrich Vittinghoff, 'Portorium', in A. Pauly (ed.), *Real-Encyclopädie der klassischen Altertumswissenschaft*, xxii (Stuttgart, 1953 edn), 384. For an extensive recent analysis and survey of prior research, see Jérôme France, *Quadragesima Galliarum: l'organisation douanière des provinces alpestres, gauloises et germaniques de l'Empire romain. I<sup>er</sup> siècle avant J.-C. – III<sup>e</sup> siècle après J.-C.* (Rome, 2001), 229–66, though he exaggerates the irregular character of the customs duty on wine exacted in Narbonese Gaul. André Tchernia, 'Italian Wine in Gaul at the End of the Republic', in Garnsey, Hopkins and Whittaker (eds.), *Trade in the Ancient Economy*, 93, is too one-sided in seeing the toll as only a burden to the Gauls. This is what Cicero, the attorney defending his Roman clients, would like us to believe.

introduction in the late third century BC.<sup>109</sup> Rome, however, employed its hegemonic power in the area to take over the collection.<sup>110</sup> The imperial interest was in tribute first. Commercial developments are better linked with the process of portfolio capitalism.

The Romano-Italic community at Delos rose together with the imperial expansion into the Greek world of the second century BC. Its heyday came after the acquisition of the province of Asia in 133 BC and is to be linked with the entry of Roman tax-farmers, the notorious *publicani*.<sup>111</sup> The mobilization of the rich tribute of Asia involved an unholy nexus of credit operations, commercial services and acquisition of landed property.<sup>112</sup> Delos, for instance, served as an important centre in the slave trade where captives of war and victims of slave-raiding, not least from the interior of Anatolia, were passed on to Italy. The collection of tribute spawned a vast array of subsidiary business opportunities. Scores of Romans and Italics made huge profits on their provincial *negotia*.<sup>113</sup> Another aspect of this portfolio capitalism concerns the many and profitable contracts to supply the victorious Roman armies

<sup>109</sup> On the causes of war between Byzantium and Rhodes, and the terms of the peace treaty, see Polybius, *Historiae*, iv. 47; iv. 52. 2–5.

<sup>110</sup> The recently found inscription with the *Lex Portorii Asiae* confirms Roman collection of customs on the Bosphorus: see the so-called Monumentum Ephesenum, in Helmut Engelmann and Dieter Knibbe (eds.), *Epigraphica Anatolica*, xiv, *Das Zollgesetz der Provinz Asia: eine neue Inschrift aus Ephesus* (Bonn, 1989), §§2 and 4 (a new edition is in preparation).

<sup>111</sup> Rauh, *Sacred Bonds of Commerce*, chs. 1 and 7. Hatzfeld, in *Les Trafiquants italiens dans l'Orient hellénique*, pt 2, chs. 1–2, did his best to ignore or trivialize the obvious connections between *publicani* and *negotiatores* in order to assert that the latter belonged within a world of free trade and enterprise. This is one clear example of the advantages offered by the concept of portfolio capitalism. It allows us to account for the close interrelationship between tax-farming and commercial activities.

<sup>112</sup> Cicero, *De imperio Cn. Pompei*, 14–19, makes these connections explicit in relation to Asia. Many examples of Romans and their dependants with *negotia* in Asia and other provinces making use of their access to government resources are offered in Cicero, *Ad familiares*, XIII: for example letter 69. Some further examples include letters 6a, 9, 14, 27, 63.

<sup>113</sup> The letters from Cicero's correspondence discussing his dealings with the straw men of Brutus during his Cilician governorship offer vivid testimony of these processes. They document Roman investment in private loans which underpinned provincial payment of taxes but were forwarded only at extortionate rates of interest and with the expectation that political connections could be exploited to twist the arm of victim communities and ensure their payment, if need be by military force. Cicero, *Ad Atticum*, v. 21 – vi. 2. See N. Rauh, 'Cicero's Business Friendships: Economics and Politics in the Late Roman Republic', *Aevum*, lxiii (1989). Fascinating glimpses of this phenomenon can also be found in Cicero's *Verrine Orations*, and, for example, in Sallust, *Bellum Iugurthinum*, 26.

in sundry provincial and foreign theatres of war. The large companies of *publicani* were a central force in the economic processes shaping developments in the Mediterranean during the formative phase of Roman hegemony.<sup>114</sup> They were essential tools in mobilizing the surplus in large parts of the empire. To Weber they even constituted the high point of ancient (political) capitalism.<sup>115</sup> From the present perspective, however, they rather seem like the result of a very sudden and unbalanced influx of economic resources in the wake of spectacular Roman successes — a symptom of immaturity and, potentially, a disruptive political force.

### *Phase 2*

The establishment of empire in the Mediterranean had raised the level of tribute payments and spawned a portfolio-capitalist process. Now followed a period of consolidation and transition to a less disruptive mode of tribute extraction. As the Republic gave way to monarchical rule, the companies of *publicani* were checked. A cause of discontent in the provinces, and representing an uncomfortably large concentration of power in Italy, the role of the *publicani* was much reduced. In broad terms, the large companies of *publicani* lost the right to bid for the collection of the more important land tax in the provinces where they had formerly possessed it. Collection of the land tax was now generally organized at a provincial level while the *publicani* only retained the collection of indirect taxes.<sup>116</sup> It is often suggested that this move significantly reduced the burden of empire on the subject populations. Complaints of abusive tax-collection, though far from a rare occurrence, quite possibly diminished in frequency.<sup>117</sup> If so, it was not because effective tax-demands were

<sup>114</sup> The principal work on republican *publicani* is Badian, *Publicans and Sinners*. For an analysis of the legal evidence, see also Maria Rosa Cimma, *Ricerche sulle società di publicani* (Milan, 1981).

<sup>115</sup> Weber, 'Agrarverhältnisse im Altertum', 234–8, 271–8; Max Weber, *Wirtschaft und Gesellschaft: Grundriss der verstehenden Soziologie*, ed. Johannes Winckelmann (Tübingen, 1972), 522–3, 649. For an excellent analysis of Weber's views on political capitalism in the Greek and Roman world, see Love, *Antiquity and Capitalism*, esp. 22–56, 174–95, 223–46. See also Luigi Capogrossi Colognesi, *Economie antiche e capitalismo moderno: la sfida di Max Weber* (Rome, 1990).

<sup>116</sup> P. A. Brunt, *Roman Imperial Themes* (Oxford, 1990), ch. 17, on *publicani* under the emperors.

<sup>117</sup> But one should be careful not to exaggerate this, as argued by Brunt: *ibid.*, ch. 4.

substantially lowered.<sup>118</sup> The administrative apparatus of the Republic had been ephemeral in the extreme. Monarchical rule created a larger, more permanent administration and attempted more extensive surveys of provincial land.<sup>119</sup> Autocratic rule gradually deepened the penetration of the provinces by the imperial state and thereby its ability to tap their economic resources.

To do that, however, closer co-operation with provincial elites was required in the running of empire. Reducing the role of Roman *publicani* in some of the richest provinces meant admitting provincial aristocracies to a larger share of the imperial tribute. They became partners in empire, as Dio Cassius expressed it.<sup>120</sup> Gradually the imperial aristocracy was transformed from a club of Italians to include the uppermost reaches of provincial society. As a result, the character of portfolio-capitalist activities was modified. The mobilization of agricultural surplus resources in provincial communities intensified.<sup>121</sup> The process was

<sup>118</sup> One can easily make too much of Caesar's reform of the Asian *decuma* reported by Appian, *Bellum civile*, II. 92; v. 4; Plutarch, *Life of Caesar*, XLVIII. 1; and Dio Cassius, *Historia Romana*, XLII. 6. 3, such as Elio Lo Cascio, *Il princeps e il suo impero: studi di storia amministrativa e finanziaria romana* (Bari, 2000), 38–9, tends to do. For a recent survey of the evidence pertaining to Roman taxation in Asia, see Giovanna Daniela Merola, *Autonomia locale, governo imperiale: fiscalità e amministrazione nelle province asiatiche* (Bari, 2001); for Caesar's reform, see *ibid.*, 72–84. Though closer to Lo Cascio than the present author, her discussion does reveal the many uncertainties in our knowledge of Caesar's enactments. For instance, which tax figure was it that Caesar lowered — an unusually extortionate one or something more akin to an annual average tribute? This uncertainty can only increase if we take into account the dramatic and desperate attempts to tax Asia by the different contenders for power in the decade following Caesar's death. At what level the Asian tribute settled under imperial rule it is almost impossible to say, but the *decuma*, pre-dating Caesar, is still mentioned in the Monumentum Ephesenum from Nero's reign. It is far from certain that this is simply an obsolete remnant from the first republican tax law rather than a reflection of the current state of affairs, as Merola argues.

<sup>119</sup> Claude Nicolet, *Space, Geography, and Politics in the Early Roman Empire* (Ann Arbor, 1991). See Werner Eck, 'Part II: Government and Civil Administration', chs. 4–7, in Alan K. Bowman, Peter Garnsey and Dominic Rathbone (eds.), *The Cambridge Ancient History*, xi, *The High Empire, AD 70–192*, 2nd edn (Cambridge, 2000); for a summary of the development of the imperial government, see *ibid.*, ch. 4.

<sup>120</sup> Dio Cassius, *Historia Romana*, LII. 19. 3.

<sup>121</sup> The literature is vast. Keith Hopkins, *Death and Renewal* (Cambridge, 1983), ch. 3, is the best analysis of the transformation of the imperial aristocracy. Greg Woolf, 'Becoming Roman, Staying Greek: Culture, Identity and the Civilizing Process in the Roman East', *Proc. Cambridge Philol. Soc.*, xl (1994); Greg Woolf, *Becoming Roman: The Origins of Provincial Civilization in Gaul* (Cambridge, 1998); and Peter Garnsey, 'Rome's African Empire under the Principate', in P. D. A. Garnsey and C. R. Whittaker (eds.), *Imperialism in the Ancient World* (Cambridge, 1978), are fundamental on the development of provincial society and elites. Ørsted, *Roman Imperial Economy and Romanization*, shows how provincial elites in the Danube area were admitted to a

gradual and uneven. But most areas of the empire seem to have experienced a period of urban development. This is the phenomenon which lies behind the often discussed provincialization of the economy under the emperors. The strengthening of provincial elites made the role of Italians less important in exploiting the surplus.<sup>122</sup> The development is most clearly visible in the western Mediterranean. Italian exports of wine and ceramic tableware, so prominent in the second and first centuries BC, dwindle to almost nothing during the rule of the Julio-Claudians.<sup>123</sup> In Gaul, Spain and Africa elites begin to intensify and diversify the exploitation of local agricultural surplus resources. Their economies became more self-supporting, making Italian products unnecessary. Gaul, for instance, now had its own production of wine and *terra sigillata* (fine red-slip pottery).<sup>124</sup> In the East, the change is mainly visible in the form of a gradual absorption in provincial society of the Romano-Italic diasporas which had sprung up in many cities across the Greek East during the phase of conquest.<sup>125</sup>

This development was catalysed by a significant fall in the overall military costs during the period. The *pax Romana* had left Rome the sole hegemon in the greater Mediterranean world. The combined force of citizen legions and provincial/allied auxiliary troops in the imperial army was large. But the number of soldiers had not been increased at the rate of territorial expansion. After winning sole power, Augustus had significantly reduced the number of legions from the high reached during the revolutionary struggles of the last years of the Republic. Equally, the independent armies of Rome's opponents were disbanded at the time of their inclusion in the empire. The incidence of warfare fell

(n. 121 cont.)

share of the tribute through mining contracts. The analyses of A. H. M. Jones, *The Greek City from Alexander to Justinian* (Oxford, 1940), and Brunt, *Roman Imperial Themes*, ch. 12, are still valuable.

<sup>122</sup> C. R. Whittaker, 'Trade and the Aristocracy in the Roman Empire', *Opus*, iv (1985), has even convincingly argued that the entry of provincial elites into the Roman senate had a considerable effect on import patterns to Rome.

<sup>123</sup> For the best treatment of this development, see Tchernia, *Le Vin de l'Italie romaine*.

<sup>124</sup> For a recent analysis of this phenomenon in Gaul, see Woolf, 'Regional Productions in Early Roman Gaul'.

<sup>125</sup> See the still unsurpassed survey of Hatzfeld, *Les Trafiquants italiens dans l'Orient hellénique*.

considerably inside the conquered territories; therefore aggregate military expenditure declined.<sup>126</sup> In other words, the costs of producing protection fell as the Roman state had successfully eliminated most of its competitors. The price of protection, however, was not lowered. Resting secure in its monopoly, the imperial system was able to increase profits — tribute proper. These profits helped finance the closer integration of provincial aristocracies within the empire. Another, less practicable, option would have been to reinvest the growing profits in steadily improving the protection on offer. Hypothetically, monopolies could have been granted to secure the continuance of Italian exports, and to develop the fragile specialization between centre and provinces which had emerged during the Republic. This, however, would have been investing in uncertain benefits in the future. In the short term, the regionalization of production was most economical. The division of labour had not yet developed beyond a point where local productions were at a significant disadvantage.<sup>127</sup> There was little incentive to make the imperial system change its focus from tribute. The maintenance of internal order was rather rudimentary. It was left in the hands of local communities with small militias, pressure gangs and guards of

<sup>126</sup> Lawrence Keppie, 'The Army and the Navy', in Alan Bowman, Edward Champlin and Andrew Lintott (eds.), *The Cambridge Ancient History*, x, *The Augustan Empire, 43 BC–AD 69*, 2nd edn (Cambridge, 1996), esp. 377. For discussions of the relatively low level of Roman military expenditure during the Principate, see Luttwak, *Grand Strategy of the Roman Empire*, ch. 1; Mattern, *Rome and the Enemy*, ch. 4. Costs may have risen moderately towards the end of the period.

<sup>127</sup> M. I. Rostovtzeff, *The Social and Economic History of the Roman Empire*, 2nd edn, revised P. M. Fraser, 2 vols. (Oxford, 1957), i, 172–9, is the classic discussion of the so-called provincialization of production. Hans-Ulrich von Freyberg, *Kapitalverkehr und Handel im römischen Kaiserreich (27 v. Chr. – 235 n. Chr.)* (Freiburg im Breisgau, 1989), is the best modern attempt to restate this position. The perspective, however, is wrong. For an extended discussion of the question, see Peter F. Bang, 'Romans and Mughals: Economic Integration in a Tributary Empire', in De Blois and Rich (eds.), *Transformation of Economic Life under the Roman Empire*. Pomeranz, *Great Divergence*, 242–63, has analysed a similar tendency at provincialization in Chinese production in the eighteenth century. The relatively marginal advantages of specialization in a world of pre-industrial technology often made the use of monopolies essential for maintaining such specialization. In the short run this might not, economically, be the most efficient. In the longer term, the benefits might show. Many of the monopolies instituted by Colbert in France's West Indian trade were an economic liability during his own lifetime. But over a century they enabled the development of a thriving economy which benefited France enormously. See Frederic C. Lane, *Venice and History* (Baltimore, 1966), 392–7. Today's comparative advantage may not be tomorrow's, as the economists now say. The less profitable option may have greater potential for development in the long term.

very uneven quality. Rather than squandering the benefits of the 'Roman peace' on costly internal policing, the emperor was happy to accept a relatively high level of internal disorder, violence and banditry.<sup>128</sup> It allowed the groups involved in the collection of tribute to cash in a peace dividend. The tributary elites of the empire grew steadily richer under the emperors.

### Phase 3

The late Roman world saw the continuance of the process of increasing concentration of wealth within the political elite. Much of this wealth, as in the preceding period, was spent on maintaining an elaborate aristocratic culture. In the Mediterranean this still meant an urban culture; to the north-west, villa estates seem to be gaining in importance as foci of aristocratic expenditure. But in either case, consumption remained at a high level and trade continued to prosper. It is true that old styles of monumental building were declining. But that was a product of cultural change, not economic lethargy. With the rise of Christianity came new kinds of public buildings. If the cities stopped erecting temples and *curiae* (meeting places for town councils), they launched an increasingly vigorous programme of church-building to replace the old civic institutions. Some regions, of course, appear more vibrant than others, but, in global terms, the fourth century may very well have marked a culmination of the empire.<sup>129</sup>

However, there are signs that tributary exploitation was reaching the limits of its capacity. Expansion was now happening in marginal zones where the land only grudgingly would yield a surplus. The marginal return of cultivating new lands was declining. On top of this, the peace dividend which had eased economic

<sup>128</sup> On the relatively high level of violence under the *pax Romana*, see, for example, Greg Woolf, 'Roman Peace', in John Rich and Graham Shipley (eds.), *War and Society in the Roman World* (London and New York, 1993); Wilfried Nippel, *Public Order in Ancient Rome* (Cambridge, 1995); Pollard, *Soldiers, Cities, and Civilians in Roman Syria*, ch. 3. On banditry and pirates, see Brent D. Shaw, 'Bandits in the Roman Empire', *Past and Present*, no. 105 (Nov. 1984); Keith Hopwood, 'Bandits, Élites and Rural Order', in Andrew Wallace-Hadrill (ed.), *Patronage in Ancient Society* (London and New York, 1989); Philip de Souza, *Piracy in the Graeco-Roman World* (Cambridge, 1999).

<sup>129</sup> In addition to the bibliography given in Section II above (from n. 28 onwards), a good introduction to the problems is offered by Luke Lavan, 'The Late-Antique City: A Bibliographical Essay', in Luke Lavan (ed.), *Recent Research in Late-Antique Urbanism* (Jl Roman Archaeol., suppl. ser., xlii, Portsmouth, RI, 2001).



development during the High Empire was now gradually eaten away. The Roman empire experienced growing military costs. In the east, the Sassanid monarchy reinvigorated the ailing empire of the Parthians. On the northern frontier, the German tribes had developed in military power from contact with the Romans.<sup>130</sup> Maintaining hegemony required greater resources than before; military expenditure was mounting. It was little help that the economy, particularly in the troubled third century, had also suffered some momentary shocks such as the recurring visits of epidemic disease and the discontinuance of mining in the vast Spanish silver mines. The state answered these challenges with reforms, gaining pace under Diocletian, that widened its administrative capacity, tightened its hold on the agricultural surplus and expanded the army.

But expansion came at a high price, and one which became increasingly heavy to bear. The different aristocratic groups, the political backbone of the empire, who had benefited from the low-cost regime of the High Empire, did not intend to see their wealth and position reduced.<sup>131</sup> The state had to buy them off with added privileges. In the historiography this process is often referred to as the decline of the curial class, the local town councillors governing the many cities of the empire. That is a very circumspect way of saying that the most powerful and influential families of this group managed to claim for themselves a position within the imperial elite. Senatorial rank and membership of the imperial administration, with all the benefits of more lenient taxation, were now extended to many locally based aristocratic families. As a consequence, these families grew richer once more.<sup>132</sup>

<sup>130</sup> See Whittaker, *Frontiers of the Roman Empire*.

<sup>131</sup> Lactantius, *De mortibus persecutorum*, vii. 4, though of course fiercely hostile to Diocletian because of his persecution of the Christians, still provides a good sense of the kind of political resistance that the state encountered as it tried to develop a more fine-grained administrative apparatus.

<sup>132</sup> Claude Lepelley, 'Quot curiales, tot tyranni: l'image du décurion oppresseur au Bas-Empire', in Edmond Frézouls (ed.), *Crise et redressement dans les provinces européennes de l'Empire (milieu du III<sup>e</sup> – milieu du IV<sup>e</sup> siècle ap. J.-C.)* (Strasbourg, 1983), is fundamental. See also Roland Delmaire, 'Cités et fiscalité au Bas-Empire: à propos du rôle des curiales dans la levée des impôts', in Claude Lepelley (ed.), *La Fin de la cité antique et le début de la cité médiévale: de la fin du III<sup>e</sup> siècle à l'avènement de Charlemagne* (Bari, 1996), 59–70; Mark Whittow, 'Ruling the Late Roman and Early Byzantine City: A Continuous History', *Past and Present*, no. 129 (Nov. 1990). For a recent study of the development of aristocratic property, see Banaji, *Agrarian Change in Late Antiquity*, chs. 5–7.

With the peace dividend gradually wearing thinner, the expanding claims of both state and aristocracy were eventually bound to clash. Tensions were building up. A clear sign of competition intensifying over the distribution of the agricultural surplus is the increasing use of Germanic federate troops in the Roman army. Peasants were more valuable as surplus producers, paying much-needed rents to the aristocracy and tax to the emperors, than as recruits for the army. Landowners were even willing to pay a tax (the *aurum tironicum*) in order to avoid the duty of supplying recruits for the army. These could be had at a lower price among people living on the borders of the empire and eager to enrol under the imperial banners with the prospect of pay and plunder. This development gathered momentum as the fourth century drew towards its close.<sup>133</sup>

The imperial government had thus embarked on a dangerous course. Federate units in the army proved to be a mixed blessing. They alleviated a short-term problem, but only at the cost of creating another. This had already become clear by the beginning of the fifth century, when just such a group of federates turned against the imperial government and sacked Rome in 410. Federate units generally served Rome well in the field, but they also had their own agendas. They wanted to carve out a space for themselves within the empire and receive lands. It was the western imperial court that came to bear the brunt of this burden, and it was the court least well equipped to manage the task. Compared with the eastern part of the empire, the West was relatively poor. At the same time, aristocratic holdings had grown to a bigger size in the West. This left the government very little room for manoeuvre. With pressures mounting, imperial power began to lose part of its attraction in the West. Increasingly it found itself squeezed out of the tributary nexus as barbarian warlords and aristocratic landholders decided they could do without the central government.<sup>134</sup> In a few decades, Britain, vast tracts of Gaul, Spain and,

<sup>133</sup> For a recent discussion of the use of federate troops, see Ward-Perkins, *Fall of Rome and the End of Civilization*, esp. 37–40.

<sup>134</sup> Chris Wickham, 'The Other Transition: From the Ancient World to Feudalism', *Past and Present*, no. 103 (May 1984); Whittaker, *Frontiers of the Roman Empire*, chs. 5–7. On the greater size of aristocratic properties in the West, see Jones, *Later Roman Empire*, i, 554–7.

following the Vandal conquest, Africa were lost to the imperial exchequer. Starved of income the western court was set on a path of terminal decline and its power withered away during the next decades.

In the East, however, the tributary nexus never broke down. Not only were the territories richer, they had also been relieved of most of the burden of financing the defence of the West where military pressure was most intense. Aristocratic property could, therefore, continue to increase without undermining the income of the state apparatus, though of course this process did limit state potential for further growth, and it probably also in the long run reduced government income.<sup>135</sup> The economy of the eastern empire, based on tribute extraction and portfolio capitalist processes, continued to prosper in the fifth and sixth centuries, even to the extent that Justinian was able to embark on a new series of campaigns to regain what had been lost in the West.<sup>136</sup> But it is probably an effective illustration of the benign combination of factors that had allowed the empire to continue to prosper in the East that reconquest seems to have brought it few benefits, while the costs were heavy.<sup>137</sup> In the West, by contrast, where the tributary nexus between imperial authorities and local elites had been broken, economic activity declined. In Britain, collapse was sudden; in other areas, decline was a much more gradual and slow process. But, once outside the tributary economy, the provincial magnates of old stock and new 'barbarian conquerors' found

<sup>135</sup> Cf. Duncan-Jones, *Money and Government in the Roman Empire*, 57–9. Growth of private estates may have caused the tax rate in Egypt to decline; revenue fell by up to a third. But this conclusion is very uncertain, based as it is on extremely fragmentary evidence. The average tax rates calculated for the Principate and the Dominate are based on different areas; and since taxes varied from locality to locality, depending on quality of land, extent of irrigation, and the ratio of public and private landholdings, the results of such a comparison are going to be very uncertain. Also, the calculations are probably skewed by the city of Oxyrhynchus, which features very large in the late material, but had a below-average amount of public (and hence higher tax-paying) land during the Principate; overall, therefore, the late rate can be expected to come out lower than the average calculated for the Principate.

<sup>136</sup> This is the main result of Wickham, *Framing the Early Middle Ages*, chs. 3, 10 and 11. For summaries of the twin developments of economic decline and the gradual erosion of state taxation in the West, see *ibid.*, 144–50, 819–24.

<sup>137</sup> For a comparison of the income from the eastern parts and new western acquisitions of the Justinianic empire, see Michael F. Hendy, *Studies in the Byzantine Monetary Economy, c. 300–1450* (Cambridge, 1985), 157–73. For a structural analysis, see J. F. Haldon, *Byzantium in the Seventh Century: The Transformation of a Culture*, revised edn (Cambridge, 1990), 15–23.

it impossible to maintain extraction at the previous level and sophistication. Their capacity for concentrating and mobilizing agricultural surplus resources was much more circumscribed; and their monopoly powers in 'selling' protection were seriously weakened.

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In this article I have tried to argue that simply stating that there was a market economy in the Roman empire may not be very significant; it does not go very far towards explaining the history of the empire or its economic performance. Instead, I have tried to sketch a simple, global model of the imperial economy. Such models are frequently looked at with suspicion. But closer scrutiny of the details does not always get us nearer to the truth. If, for instance, we want to know whether the Roman economy was a market economy, it is not enough merely to notice the existence of prices in the empire. We must ask whether the economic experience of the empire reflects a system which depended on realizing the gains of trade. In general, I have argued, this was not the case. The economic history of the empire was shaped by other factors. The early political economists and sociologists knew this. They realized that the empire differed from their emerging capitalist world in central aspects of state formation and social institutions. These I have discussed in the context of tribute, portfolio capitalism and protection costs. Almost three decades ago, Keith Hopkins drew attention to the possible economic gains from taxation in the empire.<sup>138</sup> Political expenditure might promote the division of labour and specialization. There is much to be said for Hopkins's argument. Portfolio capitalism implies as much. The need to mobilize surplus resources spawned commercial activities. Tribute and portfolio capitalism, however, also remind us that the power to spend in that world was more a result of political privilege than economic efficiency. This impression was strengthened by analysing the economy in terms of protection costs. Although tributary expenditure created economic activity by increasing demand, it also

<sup>138</sup> The argument was first presented in Keith Hopkins, 'Economic Growth and Towns in Classical Antiquity', in Philip Abrams and E. A. Wrigley (eds.), *Towns in Societies: Essays in Economic History and Historical Sociology* (Cambridge, 1978); and elaborated on two years later in the *Journal of Roman Studies*: Hopkins, 'Taxes and Trade in the Roman Empire'.

appeared that relatively little investment was made in improving economic efficiency and market performance.<sup>139</sup> Tributary exploitation was a much stronger force than the market in shaping the economic history of the Roman empire; and therefore the economic well-being of the empire lasted much longer than was formerly believed to be the case, even by Hopkins.

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<sup>139</sup>This tallies with Saller, 'Framing the Debate over Growth in the Ancient Economy', who argues that the technological developments identified by archaeologists in the period are consonant with a very limited growth scenario.