

Beyond modernism and primitivism: an alternative point of view on the Roman economy.

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Introduction.

The debate between modernists and primitivists regarding the state and nature of Rome's economy has been going on for many years. Both sides have presented evidence as well as numerous case studies to support their theories. Championed by individuals like Moses Finley and Karl Polanyi who argued that the ancient economy should not be treated as a separate field of research, but rather approached through a cultural/social viewpoint, the primitivists argue that the concept of 'economics' was unknown in the ancient world. Therefore, people in the ancient world did not think in economic terms such as profit, productivity, production capacity or supply and demand according to the primitivists. Others, such as C.R. Whittaker and Kevin Greene treat the Roman economy as a separate field of study and research topics such as the effects of technological innovations or changes in the border regions on the economy of the Roman Empire, they have a decidedly more modern approach regarding the ancient economy. And although we must always be wary when applying relatively modern theories to ancient history it is an intriguing way of viewing the ancient economy, one which I believe should not be dismissed outright.

This paper will attempt to provide further evidence for the modernist viewpoint by looking at sources from ancient archives and legal codices. The archive of the Sulpicii is particularly important to this research because of its unique composition and the wealth of materials it contains. By looking at the evidence from this and other archives I shall attempt to provide evidence to further support the claims made by the modernist faction in this debate while at the same time attempting to nuance some of their more extreme ideas.

The evidence I shall attempt to distil from the archives regards loans issued by bankers or wealthy patrons to those engaging in business practices beyond their own means. In modern terms loans such as these would be categorized as productive credit: a practice very much linked to a modern economic system of trade and profit. Furthermore, I shall look for instances of parties insuring the cargoes they are shipping to distant markets.

Much has already been written about the archives I study and their contents, including the pieces I shall present as evidence, however, much of the research already done on the archives has been done as part of a general analysis of the archives or of the Roman banking practice in general.

In his book 'Banking and Business in the Roman World' Jean Andraeu devotes an entire chapter to the activities of bankers in the Roman world, starting as early as 310 B.C. According to Andraeu's examination of Plautus' work professionals known as *argentarii*

served as money – changers, assayers and deposit bankers.¹ This kind of specialized profession in the field of finance suggests that the Romans had a highly developed economic system not unlike our own. It also suggests that they understood the need for specialists to handle the difficulties of advanced financing and banking. In the second half of the second century B.C. the *argentarii* expanded their activities when they started to regularly attend auction sales in order to advance credit to buyers.² Andraeu mentions other types of bankers in his work such as the *nummularii*, the *coactores* and the *coactores argentarii*. I shall expand upon their activities later on but for now it is important to note that such a wide variety of financial professions with differing activities and specializations clearly shows that the Roman economy had a more modern nature than has long since been assumed. Andraeu's research provides us with a good starting point into the intricacies of the Roman financial world, particularly the way in which they made use of credit in their business deals.

Scott Meikle rightly states that several of the claims made by the modernist faction are too absolute and rigid to be maintained in the face of overwhelming evidence to the contrary. His opinion, which I share is that the attempts of contemporary modernists to universalize economics to apply to every time period is fundamentally wrong and will be easily disproven by primitivists time and again (as indeed they have been doing).³ In his essay 'Modernism, Economics and the Ancient Economy' he explains how Finley decidedly threw modernists' claims in doubt by pointing out how much they rely on unrepresentative evidence: "the misguided application to ancient society of modern theories of investment, banking and credit".⁴ This does not mean that Meikle completely discards the modernist views and ideas, he is simply pointing out the flaws that are present in many of the arguments modernists make for their cause. He also offers an alternative view that I believe to be more palatable than the absolutes and anachronistic ways of thinking so many modernists seem to hold on to. Rather than trying to project our modern ways of economic thought he looks to the economic thought and awareness that is implicit in the actions and words of ancient people, even if it is not translated into explicit economic thought or papers. Meikle states that "the Greeks did develop exchange value, money and commerce". According to him the Greeks

¹ Jean Andraeu, *Banking and Business in the Roman World* (Cambridge, 1999) 30.

² Andraeu, *Banking and Business*, 30 – 31.

³ Scott Meikle, 'Modernism, Economics and the Ancient Economy', in: Walter Scheidel and Sitta von Reden eds., *The Ancient Economy* (Edinburgh, 2002) 234.

⁴ Meikle, 'Modernism, Economics and the Ancient Economy', 235.

were indeed aware of and already engaged in the basic economic activity that form the foundation of our modern economy.⁵

In *Roman Economic Thought* Gloria Vivenza states that although the Romans did not produce economic theories, their economic legislation reveals true mastery of the discipline.⁶ She goes as far as stating that the entire Roman legal system was designed to maintain economic relations. She also believes that the lack of Roman economic writings can be attributed to the Roman action – oriented mindset: rather than writing about economic activity the Romans chose to engage in it.⁷

I agree with Finley's viewpoint that we should not blindly apply modern economic thought and teachings to the Roman economy. However, I do believe that the Roman economy was more developed than many primitivists such as Moses Finley, Karl Polanyi and others believe. The Roman economy in my opinion was a more basic version of our modern economic systems, Romans engaged in economic activities and sought to improve production, lower costs and maximize profits. Rather than looking for explicit economic writings and philosophies or applying the ones we produce today I believe we should look at other sources regarding the Roman economy. This means banking archives, legal texts and a myriad of miscellaneous sources. By using these sources, I believe we can gain a greater insight into the workings of the Roman economy and prove that it was a complex and highly developed system. As mentioned before in this essay I shall look closely at sources from ancient archives (especially from the Sulpicii archive). I shall pay special attention to instances of productive credit being extended to Roman entrepreneurs and to mentions of insurances for cargo being sent over long distances, because productive credit as well as insuring your cargoes is clearly a part of a modern economic system. The period I shall be studying during this research stretches roughly from the time of the Principate under Augustus to around the second century AD, a time of expansion and consolidation of the Roman holdings. At the end of this essay I hope to have proven that the Romans were not ignorant of economic processes, merely producing for the sake of consumption even if they did not produce volumes of treatises regarding economic thought.

⁵ *ibidem*, 235 – 237.

⁶ Gloria Vivenza, 'Roman economic thought' in: Walter Scheidel ed., *The Cambridge Companion to the Roman Economy* (Cambridge, 2012) 26.

⁷ Vivenza, 'Roman economic thought', 26 – 27.

Chapter 1: Economic activity and trade in the Roman empire.

The first thing we shall do is take a look at the workings of the Roman economy and the way trade functioned in the empire. Much research has already been done regarding this subject and many theories have arisen over the years. Despite different theories regarding the workings of the Roman economy and the many factors involved in it some basic facts can be established which will function as a useful framework for this research.

The first thing we should take a look at is the involvement of the Roman political elite of in the economy of the empire. Many senators and equestrians owned large estates and villas in various provinces of the empire which were important producers of trade – goods like grains, wine and olive oil. Villas acted as both an instigator of economic growth and an indicator of an economically healthy environment. Agriculture was the most important factor in the Roman economy, with vineyards being seen as one of the most important cash crops by the Romans.⁸ An example of this can be seen in the Iberian Peninsula, particularly in the fertile areas of Baetica and Tarraconensis. Shortly after the region was secured in 72 BC agricultural settlements started to appear in the region, producing wine, olive oil and wheat. Tarraconensis became an important producer of wine while Baetica started producing large quantities of olive oil.⁹ In this way the owners of these farms and villas became important contributors to economic growth and activity in the empire. Most of these owners were either veterans from the legions or members of the aristocratic elite. So, despite the independent nature of these enterprises the owners had ties to the imperial authority.¹⁰ Either because they had served the empire in the military or civic services and had been granted the land they cultivated as a reward for this service. Or because they had personal ties to the imperial family through friendship or alliance. Like in Iberia, the production of wine in Gaul increased dramatically after its annexation into the empire with colonists arriving from the central Italian territories with specialised technology and knowledge used to optimise wine production in the region. In a few generations the farms established in Gaul grew to sizeable villas with multiple presses and extensive production facilities. Presumably this growth occurred because the wine produced was successful enough on the commercial market to warrant an expansion of the production.¹¹ The profitability of these enterprises varied from

⁸ Richard Duncan – Jones, *The Economy of the Roman Empire, Quantitative Studies* (Cambridge, 1974) 33 – 34.

⁹ Annalisa Marzano, 'Villas as Instigators and Indicators of Economic Growth' in: Paul Erdkamp and Koenraad Verboven eds., *Structure and Performance in the Roman Economy* (Brussels, 2015) 197 – 199.

¹⁰ Marzano, 'Villas as Instigators', 198 – 199.

¹¹ Ibidem, 200 – 203.

region to region: there are known instances of vineyards in Italy barely turning a profit because of the low overall price of wine in Italy. Despite the risks associated with running a vineyard, the production and overseas trade in wine grew during the period of the early Empire, with many estates being owned, exploited and expanded by members of the aristocratic elite or members of the imperial family.¹²

Despite the involvement of the aristocratic elite, military veterans and Italian colonists in the establishment and operation of these farms and villas, the Roman state did not have full control over the economy in the empire. The simple truth is that the Romans did not have the bureaucratic capacity needed for the creation of a system designed to organise the redistribution of resources across the empire.¹³ The Roman state occupied a more supportive role, promoting the economy and trade by providing a better infrastructure which was utilised by traders and entrepreneurs throughout the empire.¹⁴ In order to engage in trade however, one must first have goods to trade. As stated before some of the most powerful landowners in the empire were the senators and equestrians who owned enormous conglomerations of landholdings.¹⁵ Through these holdings they extracted the surplus produced by their dependants in the form of rent. This often put them in conflict with the imperial household/state which sought to extract tribute from the same parties.¹⁶ The state used the tribute extracted from its citizens in order to pay for its expenditures. In order to achieve this a substantial amount of resources would have to be transferred from its region of origins so the state could make good use of it (take the grain fleets from Egypt as example).¹⁷ However, since both the state and the landowning elite expected payment from its citizens or tenants they were basically competing for the same source of income and exerting pressure to increase the surplus that was produced. Despite the ability of the aristocracy to amass property and wealth in the wake of imperial conquest they were still in a weak position compared to the imperial family. They lacked the support of the army and in the case of senators a great deal of their income was tied up in maintaining a senatorial household and meeting the requirements for membership of their social caste. Furthermore, the elite of the empire was closely linked to the ruling family and the state, occupying powerful positions and high offices in the Roman political system, using these positions to increase their wealth in

¹² Richard Duncan – Jones, *The Economy of the Roman Empire, Quantitative Studies* (Cambridge, 1974) 34 – 36.

¹³ Peter Fibiger Bang, *The Roman Bazaar, A Comparative Study of Trade and Markets in a Tributary Empire* (Cambridge, 2008) 69.

¹⁴ Fibiger Bang, *The Roman Bazaar*, 70.

¹⁵ *Ibidem*, 96.

¹⁶ *Ibidem*, 96 – 97.

¹⁷ *Ibidem*, 92 -93.

order to maintain their status.¹⁸ Because of this closeness to the imperial system the fortunes of Rome's elite were highly vulnerable, for example when emperors who needed to increase their own fortune killed senators to confiscate their property.¹⁹ Because of this it is impossible to make an absolute distinction between the fortunes of the elite and that of the imperial state. Private fortunes were heavily subjected to the whim of the emperor. Particularly during times of dynastic change, we see massive redistributions of wealth between families depending on which dynasty became the new rulers of the empire.²⁰ So, despite the fact that the imperial state exerted little direct control over economic development, production and trade, their indirect influence was felt everywhere and by everyone, particularly the elite that was often dependent on their goodwill. However, senators and equestrians who knew how to work the system could gain enormous advantages in the struggle to increase their own financial positions, using imperial resources to settle disputes in the provinces of the empire to their benefit, making it easier for them to acquire and maintain estates in different regions of the empire.²¹ Behind this acquisition of estates and properties lay the need to meet the minimum wealth requirements for membership of the aristocratic elite. Building up the basic possessions needed to meet the standards of the senatorial census could be done by increasing your holdings in the area you came from. One Sextus Roscius for example owned land worth around six million HS in the Tiber Valley during the reign of Sulla. In contrast to this Pliny the Younger, a senator from Como owned properties in Umbria worth at least 12 million HS in addition to estates and houses he owned in Como or inherited from his parents. He acquired most of his possessions at the end of the first century AD. His total worth was estimated to be twenty million HS, which was around twenty times the minimum property requirement for membership of the Roman senate.²² Here we see examples of men who acquired property beyond what they needed to maintain their status and power in society, instead looking to grow their fortunes and improve their standing in the eyes of their peers. But as large as these properties were, there were senators whose estates were even more lavish. There are some examples known of men whose fortunes far exceeded those of their social equals. The richest aristocrats in Roman society owned properties throughout the empire, spread out over large areas. Many 'provincial' senators also spread their wealth out over multiple properties, it was

¹⁸ Ibidem, 97 – 99.

¹⁹ Ibidem, 99.

²⁰ Ibidem, 100.

²¹ Ibidem, 102 – 103.

²² Peter Garnsey, Richard Saller, *The Roman Empire, Economy, Society and Culture* (London, 1987) 64 – 65.

most common to have several modest holdings and one core possession.²³ This fragmentation of property inevitably led to a fragmentation of management and labour. Landowners basically had two methods of managing their estates: they could rely on slave labour and maintain possession over their estates and their produce themselves or they could attract tenants who worked their land and paid rent for this right. The second option is certainly easier for the owner of the estate, requiring less direct involvement in their estates (apart from collecting rent) and freeing them up to pursue other interests.²⁴ For ease of management many landowners would have sought to link their properties together into larger units, like Pliny the Younger did with his properties in Tifernum Tiberinum, although he seems to have had other motives beside economic considerations, such as aesthetic considerations. Concentrating your possessions in a single region might make management easier but it also makes you more vulnerable if all your estates are in the same ecological zone. For this reason, many landowners sought to disperse their possessions throughout several ecological zones so that any losses incurred by natural disaster in one region might be mitigated by the profits from another estate.²⁵ Landowners in the Roman empire were practical creatures, making decisions intended to minimize risks while maximizing potential profits, an approach to business that may decidedly be characterised as ‘modern’, showing a certain amount of economic awareness. Most of these landowners were part of the aristocratic elite of the empire or had aspirations to join their ranks, tying their economic goals into their political and social aspirations.

Thus, the economy of the Roman empire was heavily influenced by the imperial state and the social and political elite of the empire, both directly and indirectly. This is markedly different from our current economic system in which freedom of development, production and trade is encouraged with the government taking on more of a supervising role, only directly interfering when it was absolutely necessary.

After the Romans extracted the surplus from the provinces they needed to redistribute it so it could be utilised to its full potential. Much of the tribute was spread unevenly across the empire and very often it was not spent in the place of origin, think for example of a shipment of grain from southern Gaul being sent to army camps on the Rhine frontier. This meant that a great deal of the surplus generated had to be circulated within the region of

²³ Peter Garnsey, Richard Saller, *The Roman Empire*, 65 – 69.

²⁴ *Ibidem*, 70 -73.

²⁵ *Ibidem*, 73 – 76.

origin as well as between different regions.²⁶ The need to redistribute extracted surplus created a demand for the services of merchants and traders, sometimes creating links between the collection of taxes, moneylending and commercial investment. An example of this can be found in documents from second – century Egypt. In one instance a member of the local elite who was active in the tax collection business financed a trading trip for a group of merchants. In another example found in the Muziris Papyrus we see a loan being extended to finance a cargo of Oriental luxury goods presumably meant for the market at Rome to the value of almost seven million HS.²⁷ We can clearly see the involvement of the imperial aristocracy here, investing in such valuable cargo was a very efficient way to transfer wealth from the provinces to the imperial capital.²⁸ This system of imperial tribute extraction must have heavily influenced pre – existing patterns of economic circulation in the Mediterranean world. By extracting wealth from the provinces through taxes and transferring it to the imperial centre the Romans altered the direction in which wealth flowed in the Mediterranean to their benefit.²⁹

The power of this imperial consumption of profits would have left little room for regional specialisation of production in order to promote their own form of interregional trade.³⁰ This system of markets developing around political exploitation is what Weber referred to as ‘political capitalism’ or ‘robber capitalism’.³¹ A system which is not as liberal or as legally enclosed and secured as the ones we know today, but one that still offers a certain form of order that endured thanks to alliance between empire and aristocracy.³² Michael Mann has suggested that this alliance was socially productive: collaboration between aristocratic elite and imperial power increased extraction as well as the agricultural surplus, allowing for a

²⁶ Peter Fibiger Bang, *The Roman Bazaar, A Comparative Study of Trade and Markets in a Tributary Empire* (Cambridge, 2008), 113.

²⁷ L. Casson, ‘New Light on Maritime Loans: P. Vindob. G 40822’, *Zeitschrift für Papyrologie und Epigraphik* 84 (1990) 195 – 206, here 200 – 204.

²⁸ Peter Fibiger Bang, *The Roman Bazaar, A Comparative Study of Trade and Markets in a Tributary Empire* (Cambridge, 2008), 120 – 121.

²⁹ 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), 35 – 36.

³⁰ Peter Fibiger Bang, *The Roman Bazaar, A Comparative Study of Trade and Markets in a Tributary Empire* (Cambridge, 2008), 114 -115.

³¹ W. G. Grunciman, ed., *Max Weber, Selections in translation* (Cambridge, 1978), 311 – 313.

³² Peter Fibiger Bang, *The Roman Bazaar, A Comparative Study of Trade and Markets in a Tributary Empire* (Cambridge, 2008), 122.

greater scope for the development of manufacture and trade.³³³⁴ A more important effect of the formation of the Roman empire, is that it brought together the productive capacity of a great amount of people in the same tributary system. This enabled it to mobilise, concentrate and amass resources on a scope no previous kingdom or empire had been able to do.³⁵ One of the problems facing the imperial state was that a great deal of the tribute from the provinces came in the form of grains, often more than they needed. They needed to convert it into something more flexible which could be used for goals other than feeding the army and the hungry people of Rome. The easiest way for them to do this was to bring a part of the proceeds from the imperial tribute (taxes) to the open market in order to sell it. For example, we know about instalments of the imperial grain tax from Egypt finding its way to the free market at Puteoli to be sold and converted into monetary wealth to better finance the diverse needs of the imperial state.³⁶

This created a variety of new problems for the state as well as for wealthy landowners to overcome. Firstly, they had to bring their produce to market, meaning they had to set up lines of transportation while maintaining their overall profitability. In a world where every continent can be reached within 24 hours the challenges facing traders in the Roman empire when moving their products to market are difficult to imagine. Land based transport in the form of caravans was slow going and expensive, utilising oxen, horses, camels and other draught animals which of course needed to be fed, thereby adding another expenditure for the merchant. This does not mean that land-based transport was marginalised completely, it simply meant that proprietors of caravans had to find a way to maximise their profits. They did this by switching the type of cargo they carried to high – value products like spices, incense and other luxury goods.³⁷

This conscious choice to change their business model in order to maintain and increase their profitability shows that Roman traders were keenly aware of the way economy and trade worked even if they did not spend their time writing extensive treatises on the subject. When it came to bulk trading however, sea – based transport was the dominant mode of exchange

³³ Michael Mann, *The sources of social power volume I, a history of power from the beginning to 1760 A.D.*, (Cambridge, 1986), 255 – 259.

³⁴ Peter Fibiger Bang, *The Roman Bazaar, A Comparative Study of Trade and Markets in a Tributary Empire* (Cambridge, 2008), *The Roman Bazaar*, 122.

³⁵ Fibiger Bang, 125 – 126.

³⁶ *Ibidem*, 120.

³⁷ *Ibidem*, 133 – 134.

across the empire.³⁸ Sea – based transport had its own difficulties, the most important one being its dependence on weather patterns. In the case of a single ship this could mean a delay of a week or two when a storm struck, on a macro – level it meant sea – based transport across the Mediterranean followed the pattern of the seasons, with an almost complete standstill in the winter months when the risk of travel increased greatly. The Romans termed this risky season *mare clausum*: the period roughly between November and March/April.³⁹

Even when it was safe to navigate the Mediterranean, trips often took a considerable amount of time. Pliny mentions some record crossing in his *Natural History*, like one from Puteoli to Alexandria in nine days, but these were rare occurrences and most trips took three to four times longer.⁴⁰ Despite the relative slowness of sea – based transport the presence of waterways or access to a coastline made it much easier to mobilise the surplus produce in a region.⁴¹ The slowness of travel and communication across the empire presented a considerable challenge and impediment to traders across the empire. The difficulties traders faced when transporting their goods across the empire also limited the scope of military operations. Ian Richmond noted that all the frontier legionary forts were located on rivers in order to make it easier to get supplies to the army.⁴² Likewise, we can assume traders that were not affiliated with the army made use of river-based transport when it was possible in order to minimize costs. Due to the needs of the armies on the frontiers they were one of few groups in the empire that regularly imported supplies from other regions of the Empire.⁴³ The lack of reliable information made it difficult for traders to effectively exploit opportunities in other regions.⁴⁴ Paired with this was the difficulty in getting goods to other regions. Traders might plan everything perfectly and still see their plans fail. Their goods may be delayed on route or a shipment he was waiting on might not arrive.⁴⁵ This made it extremely difficult to set up an effective system of regular interregional trade within the empire. This does not mean that trade between regions did not take place, it simply means that we must not blindly transfer our current experiences with international trade onto the Roman world. Markets were

³⁸ Ibidem, 133 – 135.

³⁹ Ibidem, 135.

⁴⁰ Ibidem, 134 – 136.

⁴¹ Ibidem, 134.

⁴² I. A. Richmond, 'Trajan's Army on Trajan's Column', *Papers of the British School at Rome*, Vol. 13 (1935) 1 – 40, here 30 – 31.

⁴³ C.R. Whittaker, *Frontiers of the Roman Empire* (Baltimore, 1994), 99 – 104.

⁴⁴ Peter Fibiger Bang, *The Roman Bazaar, A Comparative Study of Trade and Markets in a Tributary Empire* (Cambridge, 2008), 137.

⁴⁵ Ibidem, 138.

not completely isolated, despite the difficulties they faced in maintaining connections to each other. Smaller communities in the Mediterranean world (those with around 10.000 inhabitants) relied on rather impromptu contacts with smaller merchant travelling down the coasts. Larger communities like Alexandria, Rome, Antioch or Carthage presented markets with a far more stable demand for goods, including luxury items. In the case of staple goods this demand was even more stable. Rome alone required around 1.500 shipments of 100 tonnes of grain a year to fulfil its need for grain. In these cases, there was clearly a need for more permanent connections and larger concentrations of merchants as well as infrastructure, transport facilities and routes in order to support the markets. For merchants, markets like this offered a steadier and more predictable demand for their goods than other markets. Despite this, even markets like Rome remained vulnerable from our point of view, dependent as they were on relatively unreliable forms of transportation.⁴⁶ This unreliability of transport remained an issue until the modern age when steam engines became common and we no longer had to suffer the whims of the weather when traversing the oceans and seas.

Conclusion

In spite of the risks merchants still transported goods across vast distances to supply demanding markets. Luxury goods from the Near – and Far East found their way to Rome, all driven by the thirst for profit that the merchants had. Apart from the usual risk associated with doing business across the empire, merchants also had a vulnerable social position. They often could not take a strong position against abuse or exploitation at the hands of the aristocratic elite. They were at times forced out of markets by the Roman elite who sought profits for themselves, often using the Roman army to drive merchants away. This does not mean that merchants were completely powerless, they could try to stand up for themselves or seek powerful patrons to protect their interests, there even are instances known of merchant associations with official imperial backing.⁴⁷

The Roman economy operated within highly compartmentalised trade circuits divided between different regions, such as the regions surrounding cities like Alexandria or Rome. There was no generalised market sphere making it easy to transport and trade goods across the empire. The market had an extremely low transparency which created a high – risk, high –

⁴⁶ *Ibidem*, 142 – 144.

⁴⁷ *Ibidem*, 150 – 152.

transaction cost environment. This resulted in the creation of a high number of relatively small traders and correspondingly small cargoes in order to minimize risks. Massive trading empires as we know them from the British for example were practically non – existent.⁴⁸ Production and trade were heavily influenced by the aristocratic elite and the imperial state, there was no concept of laissez faire or modern capitalism. There was, however, a certain amount of economic awareness. Merchants, landowners and other parties involved in business in the Roman empire knew enough about the workings of economy and business models to make conscious decisions designed to maximize their potential profits while at the same time trying to minimize their risks. This can be seen in the examples of the agricultural output in Gaul and Iberia. Within a few decades Italian investors and farmers had boosted the production of grains, oils and wine to previously unknown levels, making use of their own knowledge and the fertility of the new regions. Thus, they increased the surplus extracted from the Roman territories which could lead to the generation of more profits on the open market in the case of independent business owners. Or to a larger budget with which to maintain the armies and administrations across the empire in the case of the imperial state. Both state and private individuals sought ways to increase their income, which provided them with security and increased their spending power. The Romans were aware of the existence of economic processes and the intricacies of production and trading systems and sought to make optimal use of them to their own advantage. In this way, the Romans did create an economic system of production and exchange, but it was a system that could only be utilised and exploited by a small group in their society. In a way it was a form of primitive capitalism. A system that could not exist if the Romans did not possess knowledge regarding economic processes and knew how to apply this knowledge in a practical manner. However, this is precisely what primitivists like Finley and Polanyi believe: that the Romans had no understanding of economic concepts and did not have the insight for example to increase their production capacity when demand for certain products rose. The evidence shows that Roman business owners were very capable of growing their businesses and increasing their profits, even anticipating on what the market for their products might do next year.

Lastly, one of the arguments made by primitivists states that economic activity and systems were embedded in status. Participating in economic activity was largely based on your status in society according to them, something I believe still holds at least partially true.

⁴⁸ Ibidem, 194 – 197.

Theoretically everyone can indeed participate in business and economic activities, in reality however we see that it is much easier to do so if you are already a well-established figure in society: the former manager of a multimillion dollar business will find it easier to secure funding in order to set up his/her own business than a student fresh out of business school. Status still affects the roles we occupy in our modern economy. However, it is far easier to improve your status in today's society than it was in Roman times. The economy student graduating today might be a millionaire a decade from now. Someone's status in society no longer limits the economic activity they can take part in. However, the greater someone's status, the easier it is for them to take part in economic activities. One way of improving one's status is by taking part in successful business ventures. In this way everyone might become a part of our society's economic elite without being held back by the class they were born in. In Rome, those born without citizenship could make themselves rich as Croesus but the chances of them ever joining the elite of the Empire were virtually non-existent.

Furthermore, Finley has stated that acquiring possessions in the form of land or houses was a way to showcase one's status. A practice I believe still exists in today's world: the billionaires and millionaires of the world buying mansions worth tens or even hundreds of millions is something they do mostly to give them a chance to display their wealth to the world and present us with physical evidence of their status in society.⁴⁹ The differences between our world and the Roman world are not as big as we might assume, the most significant difference in my opinion is that in today's world it is easier to increase one's wealth and status in society. We are no longer held back by a rigidly stratified society with almost no chances for advancement enforced by a powerful elite. The only thing holding us back from advancing our status through participation in the economy and increasing our wealth is our own ability to do so. At least when it comes to the economy our society has become a meritocracy giving everyone the opportunity to rise to the top based on their own abilities and strengths.

⁴⁹ Moses Finley, *The Ancient Economy* (London, 1973) 35 – 37.

Chapter 2: Banking and financial practice in the Roman world.

With the growth of the Roman empire, economic opportunities increased, trade flourished and there were dozens of opportunities for businessmen to make a tidy profit. However, with the growth of the economy and an increase in business opportunities, a lot of people were met with the harsh reality that they did not have the capital reserves necessary to make full use of all the opportunities before them. The growth of the economy increased the flow of capital in the empire and the number of business opportunities for the bankers of the empire rose. As a result, the number of bankers increased as well. While the growth of the empire and its economy increased both the number of bankers and their opportunities for doing business, they were active long before that, as early as the days of the Republic. In this chapter we shall be looking at the different kinds of activities bankers in the Roman world engaged in, how they were affected by and affected the Roman economy and according to what rules they conducted their business.

Roman bankers can be divided into several different types, which will be explained in more detail in the following section.

Categories of Roman bankers

- First amongst the bankers of Rome were the *argentarii*, who installed themselves in the Forum between 318 and 310 BC in order to conduct business. Their activities included assaying money, changing money and holding deposits for third parties. During the last century of the Republic they also took on the job of advancing lines of credit to buyers at auction sales.⁵⁰
- The second type of bankers came into being during the last century of the Republic, they were known as *nummularii* and they became active during the early years of the reign of Augustus. They were active as assayers of coins, moneychangers and after the first half of the second century AD as deposit bankers, although they never took part in auctions like the *argentarii* did.⁵¹
- The third group of financial professionals was active in the Roman empire from roughly the time of Cato the Elder's *De agricultura* until the middle of the second century AD. They were known as *coactores*, they were not bankers per se, but rather

⁵⁰ Jean Andreau, *Banking and Business in the Roman World* (Cambridge, 1999) 30 – 31.

⁵¹ Andreau, *Banking and Business*, 31.

professionals who held deposits for their clients and received a commission for this service.⁵²

- Finally, a fourth group of financial professionals known as the *coactores argentarii* was active in the Roman empire as deposit bankers, moneychangers and bankers.

They became active sometime during the first century BC.

The financial activities that these four groups were engaged in constituted their primary sources of income. They were people who came from all social classes of the Empire and made the choice to become financial professionals. The primary difference between them and other types of bankers and financiers is that for these professionals it was the only source of income as well as their sole profession. The other types of financiers and bankers who often came from the elite of the Empire had other sources of income and did not consider themselves as true professional financiers. The following section shall examine and explain the activities and attitudes of the elite financiers of the Empire.

Elite financiers

The senators and equestrians of Rome also were regularly active as moneylenders, in fact they did it so often that moneylending became a common source of income for them during the first century AD. Debt claims were held by almost all wealthy members of the elite, whether or not they belonged to the senatorial or equestrian class, providing a source of income besides the rents they collected from their land, livestock and other properties.⁵³ However, members of the elite had other sources of income apart from moneylending, in the form of land and property, therefore they formed a class of creditors who can not in fact be counted as professional financiers.⁵⁴ Various wellknown Romans such as Cicero, Augustus or other emperors lent considerable amounts of money. It has been suggested by various historians that financial activities were heavily scrutinised and at times criticised by other members of the elite. However, those members of the elite that took part in financial activities never went to great lengths in order to conceal their activities, which calls into question how much of a taboo it really was to lend money for interest. The only times when they actively sought to hide their activities was when they were engaging in illegal activities, such as charging usurious interest rates.⁵⁵ Not all loans carried interest, however, some of them came into being

⁵² Ibidem, 31.

⁵³ Ibidem, 12 – 13.

⁵⁴ Ibidem, 13.

⁵⁵ Ibidem, 13.

as a result of bonds of kinship, friendship or clientship. They could also be extended to a particular city as an act of euergetism by a member of the elite acting as a protector of that city. However, in spite of these interest free loans that were extended to friends, family and allies the taste for profit amongst the elite acting as moneylenders was spectacularly apparent.⁵⁶ The Roman elite did not just issue loans: they took part in a diverse range of financial activities, some of which required a certain amount of expertise and specialisation on their part.⁵⁷ The financial activities and operations of the elite can be divided into six categories:

1. Providing credit.
2. Transferring debt claims.
3. Specialised moneylending operations.
4. Operations involving coins (assaying and exchanging coins)
5. Transferring funds.
6. Managing businesses.

Types of elite financiers, part one

The first three categories were comprised of the intermediary role of credit provider, the transfer of debt claims and all specialised forms of moneylending.⁵⁸ Some members of the elite lent more of their funds than others, considering this source of income as taking precedence over the others. They displayed a greater thirst for wealth and a stronger desire to increase their patrimony than their peers. These men became known as *faeneratores*: specialist lenders for interest. A term used only by those not involved in this practice themselves, often in a pejorative way. The function of *faenerator* was not exclusively occupied by the elite, members from all levels of society could become *faenerator*. Those that came from the ranks of the aristocracy did not limit themselves to lending their own money, they often acted as intermediaries loaning sums of money that were entrusted to them by other members of the elite. These intermediaries acting as agents between those seeking loans and those seeking to invest their money included both equestrians and other members of the elite.⁵⁹ Many intermediaries who were not a part of the elite were active in the provinces of the empire, making sure that the funds entrusted to them by members of the elite in Italy were

⁵⁶ Ibidem, 13 – 14.

⁵⁷ Richard Duncan – Jones, *Power and Privilege in Roman Society* (Cambridge, 2016) 118 – 119.

⁵⁸ Jean Andreau, *Banking and Business in the Roman World* (Cambridge, 1999), 14.

⁵⁹ Andreau, *Banking and Business*, 14 – 15.

making a profit.⁶⁰ At the end of the Republic era (ca. 30 BC) large numbers of sums were lent to cities in the provinces or used in private financial transactions in Italy or elsewhere. A large number of these transactions were handled by different sets of intermediaries. However, credit for cities was most likely handled by equestrians, senators or tax collectors due to the specific challenges arising in these transactions. This is an example of how lucrative business deals in the Roman empire could be secured more easily by using one's status and influence in society and how Rome's elite monopolised economic activity in the empire. Of particular note were the maritime loans advanced to traders which included unusually high interest rates, these rates were so high because the creditor assumed all of the risk. Despite their activity in the world of finance, no elite financiers followed the same procedures as deposit bankers did so they can not be counted as professional bankers. One other way of investing money through intermediaries is noteworthy: some intermediaries who required credit and held debts with other parties would sell debt claims to senators or equestrians in exchange for a loan. If the lender wanted to recoup his investment he could sell the debt claims back to the intermediary who sold them to him or on to other intermediaries who could then sell them to other parties.⁶¹ This practice provided a security mechanism for elite financiers to help them mitigate the risks they took when lending money to others. The implementation of mechanisms like these shows that even financiers who were not professional bankers had a deep enough understanding of financial practice to look for ways to make profits with the least amount of risks.

Types of elite financiers, part two

The three other categories of operations engaged in by elite financiers who more or less specialised in them were: operations involving coins (foreign exchange and assaying), transfers of funds, and business management. Equestrians and senators who were frequently away from Rome and Italy needed people to manage their patrimonies, they would turn not only to family members, dependants and friends, but also to professional managers who were highly placed enough to manage the business of lending and borrowing and of payments and large purchases.⁶² This was a very time consuming job, which might have endangered the profitability of the managers' own operations and interests. Interestingly enough there does not seem to have been any kind of regular payment for their services. It seems that they chose

⁶⁰ Ibidem, 15 – 16.

⁶¹ Ibidem, 16 – 18.

⁶² Ibidem, 18.

to help others by taking care of their business interests for reasons other than profit, such as friendships, other social relationships or out of personal beliefs. This does not mean that they did not benefit indirectly, taking care of the business of others would have certainly increased their mutual relationships, strengthening their position in society and amongst their peers, making a different kind of profit.⁶³ Assaying money and changing foreign currency was almost always handled by professionals known as *nummulariae* and their employees, although several members of the elite had slaves to handle these operations for them.⁶⁴ Lastly, the transfer of funds was a rather complicated matter in the Roman empire, when possible private individuals as well as the State would have tried to avoid having to transport the actual cash. Fund belonging to the State or legally acquired when fulfilling a public function, the companies of *publicani* would have arranged the transfer.⁶⁵ If the funds involved were in no way affiliated with the State people had to make their own personal arrangements, often relying on their network of acquaintances, clients and friends rather than involving professional bankers.⁶⁶ Despite their activities in the financial world many occupations were closed to senators or equestrians because of their class: senators could not be *publicani* or work as *negotiatores* in the provinces and because of their social status certain types of financial profit were forbidden to them.⁶⁷

Elite financiers versus professional bankers

There are some important differences between elite financiers and professional bankers that need to be mentioned. First of all, the status of the elite was marked by a total lack of any notion of the need to work, a free choice of activities and a lack of professionalism. Some operations might be deemed unworthy for the aristocratic elite because of law or custom, but apart from these they could choose freely what operations or activities they sought to pursue. They often worked from home and made their own hours. For these members of the elite economic activity might have been a way of maintaining an adequate income and making a profit but they did not see it as distinct from other aspects of their social life.

The attitude of the elite towards economic activity was dominated by three main features. The first was that they did not think in terms of enterprise but in terms of patrimony. Secondly,

⁶³ Ibidem, 18 – 19.

⁶⁴ Ibidem, 19 – 20.

⁶⁵ Ibidem, 20.

⁶⁶ Ibidem, 20 – 21.

⁶⁷ Ibidem, 22 – 23.

they always started with a collection of properties already in their possession and the management of these properties was the foundation of all their economic strategies. For this reason money was never seen as capital but was always regarded as part of the patrimony. This does not mean that members of the elite never acted as managers of business or entrepreneurs, but they saw no clear distinction between the role of entrepreneur and that of a man living of his private income. Primarily because they regarded themselves as the latter and secondly because they often delegated entrepreneurial functions. The last attribute characterizing their economic attitude was the importance they placed upon the distinction between delegated management versus personal responsibility for the management of the enterprise. According to Paul Veyne the economic attitudes of the elite can be divided into two strategies:

1. the strategy of security which was centred around real estate, designed to cope with possible setbacks.
2. The strategy of profit.

Jean Andreau added a third strategy to this list:

3. the strategy of provident management, wherein liquid money, financial activities and monetary transactions accounted for a great deal.⁶⁸

Investing in land was the most secure choice for members of the elite, when it came to financial affairs the elite could choose between two different approaches. The first approach fit perfectly with the strategy of provident management and was concerned mostly with having the cash required for an aristocratic lifestyle. Those engaged in this type of activity mostly sought to engage in financial businesses that would allow them to maintain or moderately increase their patrimony. The second approach fitted the strategy of profit: in what ways could one make money to greatly increase one's patrimony even if that involved taking greater risks?⁶⁹ The first approach was the one followed by those members of the elite who limited themselves to investing money. They sought to recoup interest from their investments to increase their patrimony while at the same time minimising their risk by diversifying their sources of income. The second approach was the one adopted by most professional moneylenders, their goal was to make as much money as possible, sometimes because it was a passion for them and other times to massively increase their fortune to improve their lifestyle or to climb higher on the social ladder.⁷⁰ These two approaches are reminiscent of the

⁶⁸ Ibidem, 23 – 24.

⁶⁹ Ibidem, 24 – 25.

⁷⁰ Ibidem, 25.

differences in attitude between modern-day high-risk investment bankers and regular banks and investment managers. The clientele of elite financiers were composed of two groups. The elite as a whole made up their overall clientele for all the services that they provided, elite financiers were the ‘financiers of the aristocracy’.⁷¹ Apart from their peers, elite financiers attracted clients from all levels of society. With these clients the sums of money involved were far more modest and the operations less concentrated, since these clients were less wealthy and they had other sources of finance available to them: ‘entrepreneurs’, certain traders acting as moneylenders and professional bankers.⁷²

Regional banking traditions

The Greeks had their own money – changers, assayers and deposit bankers known as *trapezites* during the Roman period. However, these were vastly different from their Latin counterparts. Firstly, they never took part in auction sales on a regular base. Buyers at these auctions were free to borrow money in order to pay vendors for their purchasers, *trapezites* however did not take part in these sales.⁷³ The second difference relates to the geographical distribution of these professions. The Latin – speaking world as a whole adopted Italian customs and seem to have been very homogenous in their practices. In the Greek part of the empire we find noticeable differences between regions, particularly in Palestine and Egypt.⁷⁴ Egypt under Roman rule knew three different types of banks: the public banks, private banks and concessionary banks. Public banks were heirs to the Ptolemaic royal banks and only handled accounts for the state. Concessionary banks were farmed out by the state, they acted as bureaus of exchange, received and paid out money for private accounts and lent out money on the security of land or precious objects. Private banks were primarily concerned with changing money, the payment of rent, loans and the sale and purchase of goods.⁷⁵

⁷¹ Willem J. Zwolve, ‘Callistus’ Case. Some Legal Aspects of Roman Business Activities’, in: Lukas de Blois and John Rich eds., *The Transformation of Economic Life under the Roman Empire* (Amsterdam 2002), 117 – 118.

⁷² Jean Andreau, *Banking and Business in the Roman World* (Cambridge, 1999), 27.

⁷³ Andreau, *Banking and Business*, 31.

⁷⁴ *Ibidem*, 32.

⁷⁵ Karolien Geens, ‘Financial Archives of Graeco – Roman Egypt’ in: Koenraad Verboven, Katelijn Vandorpe and Véronique Chankowski eds., *Pistoi Dia Tén Technén, Bankers, Loans and Archives in the Ancient World* (Leuven, 2008) 134 – 135.

Roman banking traditions

The homogenous quality of banking in the Roman world made it easier for businessmen and merchants to conduct financial transactions throughout the Latin – speaking part of the empire, thereby making it easier to seize on business opportunities no matter where they were found. For this reason, the services of *nummularii* and *argentarii* as money – exchangers were mostly used for changing high denominations into smaller ones and for changing precious metal ingots, they much more rarely operated as foreign exchangers.⁷⁶ Many transactions were still conducted with cash money, which provided logistical problems when it came to larger purchases or deals. The elite could make use of the services of their peers and the State could rely on their *publicani* when they needed to transfer massive amounts of money. People who did not have these connections needed to find different ways of transferring their funds. These services were provided by those bankers who engaged in deposit – banking such as the *nummularii* and the *argentarii* who received deposits of money from their clients which could be withdrawn at will. Clients could also arrange for their creditors to receive payment from their deposits by providing the banker with a payment order and the creditor with an identifying token.⁷⁷ Apart from these payments, transfers of money could be made between clients of the same bank and between banks in the same city, although this sometimes required the banker to hold accounts in the banks of his colleagues while at the same time being largely dependent on the personal relations between the bankers concerned. These kinds of relationships were much more difficult to maintain between banks in different cities and transfers of large sums of money over long distances were rarely arranged by professional bankers. They were local financiers who specialised in operations in their own region.⁷⁸ The ability to make money transfers directly out of one’s account without having to be physically present is indicative of a rather modern approach to banking, it can be compared to the practice of cheques made out to a specific person or institution. The service of making payments for clients was linked to the *receptum argentarii*, this service was exclusive to the *argentarii* (up until the second or third century AD when the *nummularii* were permitted to provide it as well). It was the undertaking that the banker gave to a third party, when he promised to pay this third party the money owed to him by a client of the banker. The *receptum* involved three people: the banker, his client and the third party, but only two of them were bound by it, the banker and the third party. Thanks to the *receptum* the client did

⁷⁶ Ibidem, 37.

⁷⁷ Ibidem, 42 – 43.

⁷⁸ Ibidem, 43.

not need to be present or give his consent for the payment. An agreement between the client and the banker would have existed regarding the payment of the debt in question on a certain date.⁷⁹ On a regional level the banking system of the Romans was quite evolved, however as can be seen by the limited amount of long-distance transfers and their dependency on personal relations between bankers there was no real empire wide banking network in place. The only ones who might be able to make use of anything even slightly resembling such a system were the elite of the empire and they could only do so because of the connections they had made thanks to their high social standing.⁸⁰

Bankers and auctions

Another important role that many bankers fulfilled for their clients was that of providing lines of credit at auctions. Merchandise in the Roman world was sold by auction in ports, wholesale and retail markets and at fairs. Auctions also often took place after deaths in a family or when debtors could not pay back the money they owed.⁸¹ The popularity of this type of sale – system may be explained by its effectiveness as a means of advertising and the incitement to competition on the part of the potential buyers.⁸² The *argentarii* regularly took part in auctions where they paid the purchase price to the sellers and advanced short – term loans to the buyers, for a few months or a year at the most.⁸³ Despite this, the buyer and seller concluded the contract of sale themselves with the *argentarii* acting more as mediators between the two parties, a particularly important function when the buyer and/or the seller could not be present for the auction because they had duties elsewhere.⁸⁴

Apart from these advantages the involvement of *argentarii*, *coactores* and *coactores argentarii* in auction – sales was also beneficial for the Roman state. The systems of payment used by these professionals made it easier for the state to collect any relevant taxes.⁸⁵ This

⁷⁹ Ibidem, 43.

⁸⁰ Luuk de Ligt, 'Tax Transfers in the Roman Empire', Lukas de Blois and John Rich eds., *The Transformation of Economic Life under the Roman Empire* (Amsterdam 2002), 53 – 55.

⁸¹ Jean Andraeu, *Banking and Business in the Roman World* (Cambridge, 1999), 38.

⁸² Marta García Morcillo, 'Auctions, Bankers and Public Finances the Roman World' in: Koenraad Verboven, Katelijin Vandorpe and Véronique Chankowski eds., *Pistoi Dia Tén Technén, Bankers, Loans and Archives in the Ancient World* (Leuven, 2008) 257.

⁸³ Willem J. Zwolve, 'Callistus' Case. Some Legal Aspects of Roman Business Activities', in: Lukas de Blois and John Rich eds., *The Transformation of Economic Life under the Roman Empire* (Amsterdam 2002), 117 – 118.

⁸⁴ Jean Andraeu, *Banking and Business in the Roman World* (Cambridge, 1999), 38 – 39.

⁸⁵ Marta García Morcillo, 'Auctions, Bankers and Public Finances the Roman World' in: Koenraad Verboven, Katelijin Vandorpe and Véronique Chankowski eds., *Pistoi Dia Tén Technén, Bankers, Loans and Archives in the Ancient World* (Leuven, 2008) 275.

duty shows remarkable similarities with the duties performed by proxies at modern – day auctions for real estate, art or other valuable merchandise. The only real difference is that these modern proxies do not extend credit to those employing their services, instead they have a spending limit imposed on them by their employers. In contrast, the *argentarii* were professionals acting as proxies, spending their own money to fulfil their clients' wishes although we can assume that their clients would have given them a spending limit beforehand. The only real difference here is whose money is being spent at the auctions.

Despite their involvement in auctions and the importance of the credit they received from this, it was not the heart or the hard core of the concept of bank or *argentaria* according to the jurists. In their opinion a bank was characterised by the twofold service that it provided: receiving deposits and advancing credit.⁸⁶ Furthermore, a bank was characterised by the bond linking banker and client. This link came into being when the client deposited his money with the banker, after which he could leave it with the bank, withdraw it or request that the banker make payments with it. The link was therefore manifested by a series of operations conducted by the banker and by the records of those operations that were entered into the register of the bank.⁸⁷ All of this put together constituted the deposit account of the client, his *ratio*. Based on these activities we can safely state that ancient bankers were more than just pawnbrokers, they were true deposit bankers.⁸⁸

Characteristics of deposit bankers

When it comes to deposits we can identify between several kinds. Sealed deposits had to be returned to their owner untouched and could not be used by the person or institution where it was deposited, nor could it be invested in order to receive a return on it. The main feature of a Roman bank however was constituted by the non – sealed deposit, which the banker had a right to invest. However, under Roman law non – sealed deposits were treated as loans rather than actual deposits. So, we can distinguish between two main categories when it came to the deposits Roman bankers received: the ones that produced interest and the ones that did not produce interest. In the eyes of Roman legal experts only the second type can truly be regarded as deposits.⁸⁹ These non – remunerated deposits correspond to what we would call payment deposits which are primarily intended for making payments or for withdrawals. The

⁸⁶ Jean Andreau, *Banking and Business in the Roman World* (Cambridge, 1999) 39.

⁸⁷ Andreau, *Banking and Business*, 39 – 40.

⁸⁸ *Ibidem*, 40.

⁸⁹ *Ibidem*, 40 – 41.

other type of deposit can be compared to what we would call investment deposits which are primarily intended for the purpose of making a profit and often fixed for a set amount of time to ensure the investor does not run out of liquid assets.⁹⁰ In order to keep track of the activity in the accounts they managed bankers kept a register known as a *rationes* in which they recorded all operations on the accounts of all their clients. Bankers did not keep an up to date record of activities in a single account, rather they added new activities to the *rationes*. This meant that clients had to keep track of their own activity or go to the banker so the banker could review the current status of the client's account in the *rationes*.⁹¹ Bankers were required by law to produce these registers when their clients were involved in a lawsuit. This is a clear indicator of how reliable these records were.⁹²

The social status and impact of bankers

Now let's take a look at what sort of people became bankers in the Roman world. First of all we have no evidence of bankers in the Roman empire ever being part of the equestrian or senatorial class. The social status of bankers in the empire was comparable to that of members of other professions, they could be seen as upper middleclass members of society. During the first century AD many bankers were freedmen, with some of them having a member of the elite as their patron. From the end of the Republic up to the first half of the second century AD many bankers belonged to the elite of the freedmen, with others being free – born plebeians of a certain social standing. Several descendants of freedmen who became professional bankers were able to join the equestrian or senatorial class even if the bankers themselves were never able to reach that goal. This kind of social promotion is a sign of a certain amount of social mobility that was available to men exercising certain urban professions such as bankers or businessmen. However, social mobility in the Roman Empire was not nearly as fluid as it is in our modern society. Bankers themselves almost never reached a higher social status during their lifetime because they were simply born into the wrong social class. It was their children and grandchildren who were able to improve their social standing by using the work and wealth of their predecessors to climb the ranks of the Empire. They acquired citizenship and used their family's wealth to become part of the elite of the Empire. Even then their status was always less than that of the old aristocratic families of Rome, they were always nouveau riche, at least until a few more generations had passed.

⁹⁰ Ibidem, 41.

⁹¹ Ibidem, 45.

⁹² Ibidem, 46.

Bankers in the Roman world contributed to the diffusion of deposit and credit facilities and of monetary transactions in cities and circles where they had previously not been widely available.⁹³ In this way bankers contributed to the economic development of cities and regions while at the same time promoting social mobility by giving people access to the funds they needed to take advantage of business opportunities which they could use to increase their wealth and social standing.

Many bankers in the Roman world, especially the *argentarii* were able to amass sizeable fortunes, which at times allowed them to make great shows of their generosity, such as building theatres or donating statues to temples. Acts which can be interpreted as being imitative of the lifestyle of the elite of the empire. Whatever their reasons for making these donations, the social impact they had was significant. Even if they were not part of the elite of the empire, professional bankers had a heavy impact on the social and economic systems in the Roman world.

Conclusion

Banking in the Roman world was very advanced while at the same time being highly regionalised. Elite financiers made use of their social connections to spread their operations over large areas. However, professional bankers concentrated their operations to a single region or city. In their area of operations bankers were very knowledgeable, able to take advantage of arising opportunities while helping their clients do the same. They kept extensive records on the accounts they managed and always looked for ways to increase their fortunes even further. Their attitude, professionalism and business practice were very similar to the ones we find in modern-day bankers. The most important difference between Roman bankers and modern-day bankers can be found in the areas they can operate in. Apart from this, the Roman system of banking was relatively modern.

⁹³ Ibidem, 47 – 48.

Chapter 3: The Sulpicii Archive.

One interesting example of banking in the Roman world can be found in the archive of the Sulpicii, which we will be studying more in depth in this next chapter. The Sulpicii were bankers who were active in the city of Puteoli at the height of its wealth and power in the period between 105 BC and around 200 AD. In his book ‘The Bankers of Puteoli’ David Jones looks at the activities of the Sulpicii and other bankers who were active at the time. One of his chapters provides interesting background reading to the section of the archives I have researched. It concerns the loans extended to Gaius Novius Eunus and Marius Jucundus. Eunus is the one whose contracts I have studied in the archives. He was a trader who speculated in grain and required ready cash reserves to do so. Speculating on the market is not unique to the Roman world, however it is a practice which requires a great deal of economic knowledge and knowledge of trade markets before someone can even attempt to engage in it.⁹⁴ The Sulpicii acted as middlemen between Eunus and the man he was loaning from, Euenes Primianus. Primianus evidently held an account with the bank of the Sulpicii from which the funds for the loan were drawn by his representative Hesychus. Because of these activities we can safely categorise the Sulpicii as belonging to the class of bankers known as *argentarii*.

Now it is time to turn our attention to the Sulpicii archive. The Sulpicii were bankers who were active in Puteoli. They often acted as middlemen helping to conclude business deals between third parties or standing as witnesses when deals were concluded while at the same time pursuing their own business interests by issuing loans and seeking profitable investments. Luckily the records they kept regarding the businesses they were involved in have been partially preserved, allowing us to study them for information on the Roman systems of banking, trade and economic activity.

Now we are going to take a look at a few examples of contracts of the type *mutuum cum pignoris datione*, these are loans that came with a form of collateral provided by the debtor.

The first contract we shall be looking at was concluded on the 28th of June in the year 37 AD. It concerns a loan between Gaius Novius Eunus and Euenus Primianus, represented by his

⁹⁴ David Jones, *The Bankers of Puteoli* (Gent, 2006), 92 – 94.

slave Hesychus. It is a loan for the amount of ten thousand sesterces.⁹⁵ What makes this loan interesting is the fact that Gaius had to provide a substantial collateral in order to get this loan. The collateral he provided came in the form of produce, specifically seven thousand modii⁹⁶ of cereals and more or less four thousand modii lentils. This is a large collateral for a loan of this size. Furthermore, Gaius is the one who takes sole responsibility for the loan as well as the collateral. This means that should he lose the money to whatever purpose he needs it for and should the warehouse with the collateral burn down, he would still need to find some way to pay back the loan because losing the collateral does not absolve him from the obligation of paying his debt.⁹⁷⁹⁸ This deal is not particularly favourable for Gaius but there are several scenarios in which agreeing to it makes sense. If Gaius is a businessman with a bad reputation for example it would be difficult for him to secure loans. Meaning that whoever would be willing to supply him with money would ensure that they had as much certainty as possible that they would get their money back. In another scenario, if Gaius as a speculator on the grain market had no intention of selling against unfavourable prices he would need cash reserves to keep his business going while at the same time being unable to offload his inventory. This would also explain why he put up so much produce as collateral: it was all he had at his disposal and he had no intention of selling it at that time regardless. So, the best use at that moment in time is using it to secure funds he has an immediate need for.⁹⁹ One final scenario is that Gaius needs the money for a high-risk endeavour that could potentially yield an equally high income. The risk involved in the endeavour would however make any bank demand collateral and legal coverage in case the endeavour fails. Regardless of the intended use of the money and the personal situation of Gaius Novius Eunus it is obvious that the creditor saw a real risk in lending his money to Gaius, a risk that would not have been present if this was merely consumptive credit intended for the personal use of the debtor. This was productive credit meant to finance a risky undertaking with the goal of making a tidy profit. One final point to take under consideration is that had this been a loan for personal use Euenus Primianus could never have demanded collateral of this size, the only reason he could ask for this much collateral is because the loan he extended was in fact productive credit, which always comes with a certain amount of risk attached.

⁹⁵ Joseph Georg Wolf, *Neue Rechtsurkunden aus Pompeji* (Darmstadt, 2010), 75 – 78.

⁹⁶ Modii can be split into two types: *modius castrensis*, which is roughly 12,93 litre and the normal *modius* which is roughly 8,73 litres.

⁹⁷ Joseph Georg Wolf, *Neue Rechtsurkunden aus Pompeji* (Darmstadt, 2010), 75 – 78.

⁹⁸ TPN 43.

⁹⁹ David Jones, *The Bankers of Puteoli* (Gent, 2006), 92 – 94.

The next contract we are going to look at was an expansion on the first contract. It was concluded on the 2nd of July in the year 37 AD. In it we see the same parties who were involved in the first loan. Gaius Novius Eenus requested a second loan from Euenus Primianus who is once again represented by his slave Hesychus. The additional loan is for the sum of three thousand sesterces, which brings the complete debt that Gaius Novius Eenus owes to Euenus Primianus to thirteen thousand sesterces. This new debt came was covered by the same collateral that Gaius had provided for the first loan. Given the total value of the collateral, it should not have been to difficult for Gaius to convince Euenus to extend the debt with three thousand sesterces. Even with the added debt, the collateral was still worth a multitude of the total amount Gaius owed to Euenus.¹⁰⁰¹⁰¹ As to the reason why Gaius saw the need to increase his loan a mere five days after the initial contract was concluded a possible explanation is that unexpected complications arose with whatever business he needed the money for in the first place. In order to deal with these complications, he probably needed extra funds. It would have been easier for him to expand an existing debt rather than try and find a second investor. This also prevented any unnecessary legal complications should his endeavour fail and his creditors come to claim the collateral It is much easier to deal with a single large creditor instead of multiple smaller creditors. The decision to conduct his business this way shows a fair degree of business sense and an understanding of contract law that would have been necessary assets for any professional businessman.

Moving on we are now going to look at a contract of a different type that is connected to the loan extended to Gaius Novius Euenus. It was filed under the name *locatio horrei in quo repositum est triticum* or ‘the warehouse where the grain is stored’.

The contract is dated on the 2nd of July in the year 37 AD. The same date Gaius got an expansion on his loan. In it a representative of the owner of the warehouse where Gaius’ collateral is being kept by the name of Diognetes makes a deal with Euenus’ representative, the slave Hesychus. The details of the contract state that the rooms in the warehouse where the collateral provided by Gaius Novius Eenus is being kept are to be rented out to Hesychus as a representative of his master Euenus.¹⁰²¹⁰³ So, while the collateral is officially still in the

¹⁰⁰ Joseph Georg Wolf, *Neue Rechtsurkunden aus Pompeji* (Darmstadt, 2010), 78 – 80.

¹⁰¹ TPN 44.

¹⁰² Joseph Georg Wolf, *Neue Rechtsurkunden aus Pompeji* (Darmstadt, 2010), 124 – 126.

¹⁰³ TPN 86.

possession of Gaius, the rooms where it is being kept are under the control of Euenus and his agents. This term was probably added to the contract when Gaius needed to expand on his loan after just five days. Euenus might have felt that Gaius was not the most trustworthy business partner and wanted to control access to the collateral to ensure that Gaius kept up his end of the bargain. This measure indicates how risky an investment Gaius presented for Euenus.

Combine this measure with the collateral Gaius had to provide and it becomes clear that he was involved in some high-risk business. The only reason Euenus would have given him any credit at all was if he expected his investment to be paid back in full with a nice profit on top of that. All of this indicates that Euenus did indeed provide Gaius with productive credit which always comes with certain risks attached, risks Euenus tried to minimise by imposing conditions that ensured he had open access to plenty of collateral provided by Gaius. Euenus could use this collateral to get his initial investment back at the very least.

Conclusion

These case studies show that the Romans did indeed invest money in order to make money, otherwise known as providing productive credit. This is a practice that I believe is indicative of a highly developed economic system. Furthermore, the conditions imposed by Euenus show that he had a very clear understanding of the dangers associated with these kinds of investment, which shows he had a very keen understanding of the workings of economics. Therefore, I believe that the Romans did have a highly developed economic system with experts who knew how to work this system with the goal of increasing their own fortunes. Lastly, the fact that Gaius Novius Euenus was active as a speculator on the grain market is a clear indicator in my opinion that the Roman economic system had decidedly modern characteristics.

Chapter 4: Roman business law, Justinian's codex and the Digest.

In this chapter we are going to take a look at the way Roman law dealt with business practices and in what way they dealt with issues such as liability and security when concluding business deals.

The first case we are going to be looking at concerns the question of liability when appointing a third party (particularly a slave) as a manager for one of your businesses. The manager in question was given the authority to conclude loans on behalf of the business. However, these loans could only be used for business purposes and were not intended for the personal use of the manager.

D. 14.3.13 pr.

Ulpianus libro 28 ad edictum

Habebat quis servum merci oleariae praepositum arelatae, eundem et mutuis pecuniis accipiendis: acceperat mutuam pecuniam: putans creditor ad merces eum accepisse egit proposita actione: probare non potuit mercis gratia eum accepisse. Licet consumpta est actio nec amplius agere poterit, quasi pecuniis quoque mutuis accipiendis esset praepositus, tamen Iulianus utilem ei actionem competere ait.

1. Meminisse autem oportebit institoria dominum ita demum teneri, si non novaverit quis eam obligationem vel ab institore vel ab alio novandi animo stipulando.

2. Si duo pluresve tabernam exerceant et servum, quem ex disparibus partibus habebant, institorem praeposuerint, utrum pro dominicis partibus teneantur an pro aequalibus an pro portione mercis an vero in solidum, Iulianus quaerit. Et verius esse ait exemplo exercitorum et de peculio actionis in solidum unumquemque conveniri posse, et quidquid is praestiterit qui conventus est, societatis iudicio vel communi dividundo consequetur, quam sententiam et supra probavimus.

(English translation)

Ulpian, Edict, book 28: A person had appointed a slave to run an oil business in Arles and also authorized him to borrow money. The slave borrowed some money, and the lender, thinking that the loan was for the business, brought an action for the manager's conduct but was unable to prove that it was indeed a business loan. This exhausted his claim so that he was unable to bring another action on the basis that the man had been appointed to take loans, but Julian nevertheless said that he should have an action utilis.

1. *One should bear in mind that the master ceases to be liable to an action for the manager's conduct, once the obligation is novated by the manager or by someone else in response to a stipulation made for that purpose.*
2. *If two or more people have a shop and appoint as manager a common slave whom they own in unequal shares, should they be liable in proportion to their shares in the slave or in equal shares or in proportion to their shares in the business or should they be held liable in full? Julian, who raised the question, said that each may be sued for the full amount by analogy with the action against the shipowner and the action on the peculium. The person sued can recover part of what he is made to pay by an action on the partnership or for the division of property. This view we have already endorsed above.*

This case is of particular interest because of the fact that the slave or manager mentioned was authorized to borrow money if it was in the interest of the business he was managing. Loans meant specifically for the purpose of being used for business cannot be anything other than productive credit. These loans were clearly not meant for maintaining a lifestyle of for personal consumption. Personal loans made by the manager were not the responsibility of the owner of the business. It is clearly stated that the owner is only liable for the repayment of loans made in the name of his business.¹⁰⁴

This law clearly indicates that the Romans were aware of the difference between productive and consumptive credit and differentiated between them in the laws they made. Extending productive credit is a riskier undertaking than extending consumptive credit. Productive credit is intended to help a business expand or take advantage of business opportunities, consumptive credit is intended for the personal use of the debtor and carries less risk. Because of this it makes sense that the Romans would extend liability for business loans beyond the manager. The reason the owner authorized the manager to loan productive credit is probably to enable the business to take advantage of opportunities when they arose.¹⁰⁵

¹⁰⁴ Willem J. Zwolve, 'Callistus' Case. Some Legal Aspects of Roman Business Activities', in: Lukas de Blois and John Rich eds., *The Transformation of Economic Life under the Roman Empire* (Amsterdam 2002), 120 – 122.

¹⁰⁵ David Johnston, *Roman Law in Context* (Cambridge 1999), 100 – 101.

The second case we are going to be looking at is once again concerned with the question of liability in response to the actions undertaken by a slave on behalf of his master.

D. 14.5.8 pr.

Paulus libro primo decretorum

Titianus primus praeposuerat servum mutuis pecuniis dandis et pignoribus accipiendis: is servus etiam negotiatoribus hordei solebat pro emptore suscipere debitum et solvere. Cum fugisset servus et is, cui delegatus fuerat dare pretium hordei, conveniret dominum nomine institoris, negabat eo nomine se conveniri posse, quia non in eam rem praepositus fuisset. Cum autem et alia quaedam gessisse et horrea conduxisse et multis solvisse idem servus probaretur, praefectus annonae contra dominum dederat sententiam. Dicebamus quasi fideiussionem esse videri, cum pro alio solveret debitum, non pro aliis suscipit debitum: non solere autem ex ea causa in dominum dari actionem nec videtur hoc dominum mandasse. Sed quia videbatur in omnibus eum suo nomine substituisse, sententiam conservavit imperator.

(English translation)

Paul, Decrees, book 1: A slave appointed by Titianus Primus to lend money on security was accustomed in addition to take up debts owed to barley merchants and to pay them on behalf of the purchasers. The slave fled, and a person to whom he had agreed to pay the price of certain barley sued the master on the basis of the manager's conduct. The master denied that he was liable on such a suit, because what the slave had done was not what he was appointed to do. When it was shown that this slave had been involved in various other businesses, such as renting warehouses, and had made payments to many people, the prefect of the corn supply gave an opinion unfavourable to the master. We tried to argue that this should be seen as a kind of guarantee – the slave was paying off rather than taking on what was owed by another – that this does not normally render the master liable and that in this case there did not seem to be any express authorization. But the emperor upheld the opinion of the prefect since it seemed that the master had treated the slave as a general-purpose surrogate.

What we see here is a slave/manager lending money against securities. This is almost certainly a case of productive credit being extended to third parties. If it was consumptive credit there would have been almost no need to request securities when extending the credit because there would have been almost no risk attached to it. The business the manager chose to engage in on his own by paying off debts owed to barley merchants can also be seen as a way of extending productive credit. By paying off the debts the purchasers owed to the merchants the manager was giving them access to extra cash reserves in order to help their

own business. This can be seen as an indirect way of extending productive credit to these purchasers. The manager most likely used the owner's money to pay off these debts without getting permission to do so. On this ground the owner tried to deny his liability by stating that the manager overstepped his authority. However, given the other business activities the manager was involved in he was seen as more of a general-purpose surrogate, and because of that the owner was liable for all credit that the manager extended in his name. Important to note is that this case started with the manager being authorized to extend productive credit in the name of his owner. An authority he subsequently abused in order to expand his business interests and to make a profit for himself by extending even more productive credit to barley purchasers.

The third case we will be looking at deals with mortgages under Roman law and what items should be included in a mortgage deal.

D. 20.1.34 pr.

Scaevola libro 27 digestorum

pr. Cum tabernam debitor creditori pignori dederit, quaesitum est, utrum eo facto nihil egerit an tabernae appellatione merces, quae in ea erant, obligasse videatur? Et si eas merces per tempora distraxerit et alias comparaverit easque in eam tabernam intulerit et decesserit, an omnia quae ibi deprehenduntur creditor hypothecaria actione petere possit, cum et mercium species mutatae sint et res aliae illatae? Respondit: ea, quae mortis tempore debitoris in taberna inventa sunt, pignori obligata esse videntur.

1. Idem quaesit, cum epistula talis emissa sit: "Daneisamenos para sou dynaria pentakosia parekalesa se my bebaiwtyn all' hupovykyn par' emou labein: oidas gar akribws, hoti kai hy taberna kai ohi douloi mou oudeni katexontai y soi kai hws eusxymoni anvwpw episteusas" [id est: Muutuatus a te denarios quingentos rogavit te, ne fideiussorem a me, sed pignus acciperes (probe enim nosti tabernam servosque meos nulli nisi tibi obligatos esse) et ut honesti viri fidem secutus es]: an pignus contractum sit an vero ea epistula nullius momenti sit, cum sine die et consule sit. Respondit, cum convenisse de pignoribus videtur, non idcirco obligationem pignorum cessare, quod dies et consules additi vel tabulae signatae non sint.

2. Creditor pignori accepit a debitore quidquid in bonis habet habiturusve esset: quaesitum est, an corpora pecuniae, quam idem debitor ab alio mutuam accepit, cum in bonis eius facta sint, obligata creditori pignoris esse coeperint. Respondit coepisse.

(English translation)

Scaevola, Digest, book 27: When a debtor mortgaged a stall to the creditor, the question was put whether this was invalid or whether by ‘stall’ the merchandise in the stall was to be taken as mortgaged. And if he sold goods from time to time, bought others, brought them into the stall, and then died, could the creditor in the action on mortgage sue for all that was on the premises, on view of the turnover of stock? Scaevola replied: What was in the stall at the debtor’s death was subject to the mortgage.

- 1. The following letter was sent: ‘I have borrowed fifty from you and asked you to accept a mortgage instead of a surety. You well know that my shop and slaves are bound to no one but you, and you have trusted me as the honest man I am.’ Is there a mortgage, or is the letter, which is undated, ineffective? Scaevola replied: Since there was agreement on the property mortgaged, the mortgage was not invalid merely because it was not dated or sealed.*
- 2. A creditor took from a debtor a mortgage of his present and future assets. The question was whether the actual coins borrowed by the debtor from another, when part of his estate were mortgaged to the creditor. Scaevola replied that they were.*

Here we see a debtor who put his market stall up as mortgage for the money he borrowed from his creditor. The question being put forward was whether only the stall was to be considered mortgaged or if the goods in the stall were also part of the mortgage. Due to the turnover of stock it is impossible that the stall would contain the same stock both when the mortgage agreement was made and when the debt was collected on. The argument put forward by Scaevola was that in spite of the turnover of stock what was in the stall at the time of the debtor’s death was subject to the mortgage agreement. In this case it is clear that the loan in question was an example of productive credit being extended to a business owner. With one important difference being that, rather than offering a security the debtor mortgages his business to the creditor.¹⁰⁶

Here we see how the Romans decided which assets were bound by a mortgage agreement. We can also see that they take the turnover of products into consideration. This was particularly important when the debtor who put down the mortgage was a merchant or vendor because their stock always changes. Therefore, smart creditors would extend the mortgage to include any future assets the debtor might acquire. We also see how any other creditors might not see

¹⁰⁶ Johnston, *Roman Law in Context* (Cambridge 1999), 91 – 93.

their loans returned to them. When they lend money to the debtor, the coins became a part of his assets and were therefore included in the mortgage. This means that the creditor holding the mortgage will have priority when the time comes to collect on the debt. These laws show an advanced understanding of economic and financial law. Creditors working with mortgage rights were smart enough to include both present and future assets in the mortgage and were able to prioritize the repayment of the debt owed to them over any other debts the debtor might have. They expertly used the Roman legal system to protect their own investments and to minimize any risks when it came to the repayment of debts they were owed.

Conclusion

In these examples we have seen how highly evolved Roman law was in the fields of economics and finance. The examples given in relation to mortgage law show that they had a very keen understanding of the fluidity of the world of trade and they knew how to protect the creditors' interests to the utmost. Furthermore, they had clearly defined theories on the questions of liability when conducting business and they knew how to put them into practice. For business owners this meant they had to be extremely careful when choosing their business managers and keep a close eye on them to make sure they did not stray from their appointed tasks. Even with their tasks clearly defined business owners could become liable if they had their managers (slaves) perform more tasks for them than they had officially authorized them to do. Doing this could turn the manager into a general-purpose surrogate in the eyes of the Roman law and make their masters responsible for all the deals they made and all the business they concluded. In the end a master was always responsible for the actions his manager took in the running of his business. Nonetheless employing a business manager was a good way for entrepreneurs in the Roman Empire to expand their businesses and increase their profits. We can see this in the fact that most of the liability questions arose from situations in which managers either extended or took out productive credit on behalf of their masters in order to improve the profitability of the business they were tasked with running.

Conclusion: the ‘modern’ nature of the Roman economy.

When I set out writing this paper I believed the modernists had the more acceptable theories regarding the Roman economy and I attempted to support the modernist camp through research of the Roman economy and their financial practices and laws. After studying the literature and the source material I do believe that the modernists have the more reasonable ideas regarding the Roman economy but they need to moderate some of their practices and ideas. Contemporary modernists should stop attempting to universalize economics to apply to every time period, this is a fundamentally wrong practice which will be easily disproven by primitivist because it is flawed at its very core. On the other hand, primitivists need to admit that despite the lack of explicit economic treatises the Romans did have a highly developed understanding of the workings of the laws of economics. An understanding which they demonstrated through their practices and the laws they created to regulate business and trade.

We have seen how the Romans increased production in the regions they conquered and how they specialised the goods produced in these regions according to the local climate in order to maximize production output. We saw in Iberia and Gallia how the influx of legionary veterans and Italian colonists increased the number of farms as well as their output thanks to the technology and knowledge these new settlers brought with them. Especially in Gallia we saw how wine producing farms turned into large villas in two or three generations. Villas that increased their production capacity to keep up with the growing and anticipated demands of the market they were supplying. This kind of regional specialization and facility expansion to meet projected increases in demand or real increases in demand are indicative of a highly developed sense of economic awareness. The people running these villas knew what kind of product would be best suited for cultivation in their region and as the market for their product grew, their production facilities grew with it so as not to miss out on any potential profits. These entrepreneurs understood the workings of economics and knew what tactics they should employ in order to maximize their potential profits.

We also saw how trade in the Roman empire was faced with multiple difficulties, the primary one being that of transport. Traders would seek ways to keep their costs as low as possible when transporting their goods to market. Often this meant employing trading fleets rather than trading caravans which were much more expensive to maintain and operate. However, when

relying on ship-based transport traders were subjected to the whims of nature with transport being next to impossible during storms. The winter season in particular was notorious and there was almost no sea-based transport in this period. These difficulties often drove traders to limit their operations to either their own region or maybe one or two adjoining regions. Overall trade in the Roman empire was irregular in most towns and communities, with only larger cities like Rome and Alexandria enjoying more regular lines of trade. For Rome at least, this was thanks in part to the emperor's need to maintain a steady supply of grain for the people. Furthermore, larger cities offered larger markets where there was a greater chance for traders to offload their stock for a favourable price. Most of the members of the elite in the Roman world also chose to make their homes in the cities which created a market for high-value goods that were often smaller in volume and therefore easier and cheaper for traders to transport. Even so there was no empire wide trading network linking all towns and cities together, trade often occurred between two or three adjoining regions and in that way, goods might indeed find their way from one end of the empire to the next, this was a rather impromptu method of conveying goods however.

The only group in the empire capable of extending their operations over more than one or two regions at the same time were members of the equestrian and senatorial elite. They used their network of family and friends to invest in businesses and extend loans in several communities and cities in the Roman empire. The imperial family in particular was adept at this as we saw in the example of the Muziris Papyrus: they invested money in precious cargoes to move wealth from the provinces to the centre of imperial power. The imperial family, senators, equestrians and other members of the elite were deeply involved in economic activity and development in the empire. They owned vast estates in the heartland of the empire as well as in the provinces and were important producers of cash crops. The elite of the Roman empire was a dominant factor in the economy of the empire. Traders from the middleclass felt this from time to time if they were pushed out of a particularly profitable market by a member of the elite for example. However, for the largest part members of the elite enabled economic growth, development and interaction between regions.

With economic development came the need for money in order to pursue investment opportunities. While members of the elite only borrowed or lent money to other members of the elite (who often were the only ones with the cash reserves necessary to provide the required loans), professional bankers catering to the needs of the middleclass of the empire's

businessmen and traders came into being as well. These professional bankers almost always specialized in doing business in their own region rather than expanding to multiple regions. The reason for this was most likely the same reason that many traders chose to limit their operations: the difficulty of communication over long distances and the need for a network of personal contacts to do business. However, in their areas of operations these bankers became highly capable, knowledgeable and specialized institutions. Comparable to a degree to our modern banking systems, only more limited in scope and reach. We have seen through the archives of the Sulpicii and Roman laws how Roman bankers found ways to protect their interests through the demanding of collateral and other securities for the loans they provided, a practice that modern-day banks still employ.

Finally, we have seen how Roman entrepreneurs looking to expand their business made extensive use of business managers to handle certain affairs for them. These managers often were slaves owned by the one who was employing their services. This practice enabled business owners to expand their operations without increasing their own workload overly much by delegating additional tasks to their managers. We have seen how managers extended productive credit on behalf of their owners. And we have seen how managers sometimes took out productive credit on behalf of the business their owners entrusted them with. However, final responsibility and liability for actions undertaken by managers on behalf of the business always lay with the owners who understandably had to be very careful when selecting their managers and had to keep track of the actions they took and the decisions they made. Despite these potential negative points, the system of business managers allowed business owners to expand their operations and increase their potential profits, a decidedly 'modern' approach to doing business.

In conclusion, after everything we have seen we can safely say that the Roman economy was in no way 'primitive', they did not merely produce in order to consume. Roman business owners almost always sought ways to increase their profits, whether it was the villa owner expanding his production facilities in anticipation of an increase in demand for his products in the future, the Roman trader seeking new and exotic markets in the east for products to sell in Rome for huge profits or the bankers seeking new investment opportunities to increase their wealth. At the top of this economic hierarchy we find the elite of the empire: the senators, equestrians and the imperial family. These groups amassed vast fortunes and enormous estates, far more than maintaining their station in society would require. They did not merely

seek to maintain their position, they always sought ways to improve it: always looking to increase their fortunes and to expand their holdings, both in the heartland of the empire as in the provinces. Furthermore, the complexity of Roman contracts and Roman financial and business law show us that they had a highly developed understanding of the workings of economics. However, we cannot blindly apply 'modern' theories and ideas to the Roman economic system. Their economy developed in a different world than ours did. They did not have instantaneous data transfer like we have today, they could not easily transport goods from one end of the empire to the next, this would take them weeks or even months. Bearing all that in mind I would classify the Roman economic system as a 'proto-modern economy', an economy still driven and determined in large part by the elite of the empire and limited by the scope of its communication and transport networks but still highly developed and sophisticated on a regional and sometimes interregional level. The Roman economy was not 'primitive' or 'modern' but something else altogether, it was a unique system that deserves further study that is not shackled by predefined ideas or schools of thought.

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