

## Resources, Markets and the State: the Case of Byzantium

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Much of the literature on the late Roman and Byzantine worlds has argued, or assumed, that after the middle of the seventh century, and especially as a result of the Arab-Islamic conquests in the eastern parts of the Roman empire, trade and commerce in the remaining Byzantine territories shrank dramatically. But it is now increasingly evident from the growing archaeological data that this was not the case, although the patterns of commercial and non-commercial exchange certainly shifted, dramatically in some places. Historians of the early-middle Byzantine economy (so, 6<sup>th</sup> – 10<sup>th</sup> century approximately) fall into broadly three groups – those who have adopted a strongly statist position; those who minimize the role of the state and argue for a more-or-less unrestricted market economy (even if constrained by state fiscal demands); and those in the middle. This debate ties in with the discussion between formalist and substantivist approaches to economic anthropology, with the substantivists arguing that the principles of modern market economies simply do not apply to pre-modern systems, and the formalists arguing that the rules of market exchange can be universalised. Each position, whether strongly or weakly held, brings with it a range of implications for the selection and interpretation of the evidence.<sup>1</sup> As the result of debates since the late 1980s up to now proponents of the two polar positions have tended to move towards the center, and although there is still discussion around a great many issues, for medieval historians the weight of archaeological evidence that cannot support a heavily statist position has increased such that an economy entailing both a dominance of the state in some sectors but accompanied by a relatively open market in other sectors is taken as the basis for discussion.

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For the government of the late Roman and Byzantine state, as for any territorial polity, the extraction of surplus was essential to the survival of the political system and, in particular, to the recruitment and support of military forces needed to support territorial claims and maintain

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<sup>1</sup> The discussion is best represented through the exchanges between Morrisson and Laiou, on the one side, and on the other, Hendy, in the 1980s-early 2000s: see Laiou 2002a; Hendy 1985: 4ff.; Morrisson 1991; 1994; 2001; 2008.

political order. While the technical procedures varied and evolved over time from the sixth to the eleventh and twelfth centuries, land was assessed according to whether it was occupied and farmed, the nature and (at certain periods) the average of the market value of the produce (in a given region), and its quality (depending upon the area and/or the crop). A similar method was applied to livestock to take account of pastoral or dairy exploitation. Specialist crops (such as vines or olives) were taxed according to quality and rate of production. This system of appropriation of surplus was administered by a salaried fiscal bureaucracy that kept central and regional land registers which were brought up to date on a regular basis.

Surplus was collected and redistributed in a variety of ways. Private landlords, both individuals and institutions, including church, state, and monastic foundations, normally collected rent in cash or kind, according to the nature of the contract or lease, the economic conditions of the time or area, or both (availability of market exchange was clearly essential). The state in addition exacted surpluses in both cash and kind as well as through a variety of labour-services, such as maintenance of postal stations and horses or the production of iron-ore, woven cloths, and so on, which would be calculated according to centrally-determined tables of equivalence. Local communities were required to render practical assistance, for example, with the building of roads, bridges, or fortifications, or by billeting and feeding soldiers and their officers, imperial officials, or messengers. By the ninth century, and beginning in the seventh, the state demanded the production of weapons and various items of military equipment from the appropriate craftsmen among the provincial populations, imposed as additional *corvées*; extraordinary levies in food or grain were common. Military service itself, while not meriting exemption from the chief land- and hearth-taxes, brought freedom from extraordinary levies and similar impositions.<sup>2</sup> The crucial point about all these forms of surplus appropriation is that they were obtained without exception through non-economic coercion—whether “customary” obligations and the force of law, as in most cases, backed up ultimately by imperial military might, or by simple threat and bullying by state officials, Churchmen, or private landlords. This was an agrarian society of peasants and rural artisans, and they were the only realistic source of surplus wealth production apart from commerce, to which I will return in a moment.

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<sup>2</sup> On the various forms of taxation and state *corvées* in the Byzantine state, see Oikonomidès 1996.

By the early eighth century, the loss of control over much of the Balkans, and the conquest by the Arabs of the oriental provinces south of Asia Minor as well as the fertile Cilician region had imposed major changes. The government was compelled to restructure the methods by which it extracted resources, as well as the means of distributing them. It also had to reduce expenditure to conform to the reduced resources at its disposal. The effects of invasions and warfare on population numbers in the most affected regions, and therefore on productive capacity and on lines of communication and the state's ability to maintain a public transport system—these all caused major shifts in the conditions under which the Roman state was able to operate. But the government enacted a range of changes, modifying the bureaucratic processes for ensuring the extraction of resources and the maintenance and support of military units. At the same time, the power-relations between the central government and its representatives at various levels in the provinces changed as well.

Taken in the light of, and complemented by, the information offered by documentary sources, an increasingly valuable body of archaeological material is available that provides some hints of the physical form of the eastern Roman world after the sixth century. Admittedly, archaeology does not yet offer firmly datable evidence for many of the later seventh- to ninth-century developments we can deduce from the written material. But it does support the general picture of a fairly marked retrenchment of urban life from ca. 620-640, with regional variations in pace and intensity, and it supports the picture of a fragmentation of local exchange and production networks – a decline in inter-regional exchange and in high-quality ceramic production in the inland regions, and an increasing domination of the extended hinterland of Constantinople. But there seems to be little evidence for any mass depopulation or abandonment of land, except in politically or climatically marginal contexts; absence of **identifiable** ceramic material should not be interpreted as an absolute absence of ceramic material and therefore of people.<sup>3</sup> Similarly, the absence of small denomination bronze coins at many sites is no longer taken to mean a lack of economic exchange and production. Undoubtedly, changes in weight and value of the coin produced by the state, as well as the number of coins struck, reflected the general economic situation within the empire's remaining territories. Issues of bronze coinage of account seem to have been curtailed deliberately from about 658 or soon thereafter, and has been associated with a probable effort to restructure tax collecting mechanisms and with the ways in which the army was paid and supplied, and it does seem to highlight the government's concern with the fiscal functions of coinage, ignoring its involvement in market exchange. Corroborated by the incidence of such issues in collections, the dramatic fall in the numbers of bronze issues in the period ca. 660 until the early ninth century or later

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<sup>3</sup> See now the summary of this material in Brubaker and Haldon 2011: 464-530

illustrates the change in the economic circumstances under which exchange and the appropriation of surplus through tax took place.<sup>4</sup> It contrasts markedly with the relatively constant rate of production and gold-content of the precious-metal coinage in the same period and with the continued widespread and intensive use of copper coins throughout the former imperial territory now under Islamic control, where the archaeological as well as numismatic material shows virtually no disruption to the patterns of economic activity which had been established by the 630s, and indeed suggests a very considerable demand for coin which was met by the production on a large scale and at a number of local mints of coins which, until the 660s and 670s at least, imitated available imperial issues.<sup>5</sup> Concerning both inter-regional and local exchange and commerce, recent work on Byzantine ceramics and dating sequences suggests strongly a continued and possibly substantial commercial activity linking Constantinople to Black Sea, Aegean and south Italian coastal regions, and a separate circuit linking the southern Aegean with the Levant and Cyprus (but not the northern Aegean), well into the later eighth and early ninth century. The traditional view that there was a dramatic curtailment of such activity from around 700 seems, therefore, questionable. On the other hand, inland regions, particularly in central and eastern Anatolia, do appear to have suffered from increasing localization of exchange activity. But in many cases the archaeological data are still inadequate for reliable conclusions.<sup>6</sup> What is clear from both the textual and the numismatic and archaeological evidence is that, from the middle of the ninth century, and with increasing pace from the early tenth century, commerce and trade pick up again (part of a wider pan-European/Near Eastern pattern), so that by the early eleventh century urban life, markets, commerce - local, regional and inter-regional/international - as well as a range of productive industries (silk, wine, finished cloths) are flourishing.

The ways in which fiscal resources were assessed, collected and distributed within the territories controlled by the Byzantine state generated over the centuries a particular set of administrative-bureaucratic procedures, so that a whole institutional-managerial apparatus evolved, socially and ideologically legitimated and realised in the imperial system of precedence. The close relationship between fiscal apparatus and military organisation, especially in respect of

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<sup>4</sup> Morrison 1986: 156ff.; Grierson 1960: 436 with table 2; 1968: I, 6-7. See also Hendy 1985: 496-99, 640-41; Brandes 1989: 226-27; Morrisson 2001: 383; Haldon 1997: 226-227, 232-244; Phillips and Goodwin 1997: 75ff.

<sup>5</sup> Morrisson 1985: 123-127; 2002: 920-929; Walmsley 2000: 332-39.

<sup>6</sup> See Armstrong 2009; and the summary in Brubaker and Haldon 2011: 488ff..

the mechanisms through which troops and state officials in general could be supported, is the dominant feature.<sup>7</sup> But this set of arrangements seems to have left little room at the level of production and distribution of wealth for re-investment in commercial activity or enterprise. Even when the state farmed fiscal contracts, the opportunities for private entrepreneurial activity were limited less by state intervention than by social convention: what one did with newly-acquired wealth was not invest in independent commercial enterprise, but rather in the state apparatus.<sup>8</sup> Titles, imperial sinecures or actual offices, and court positions were first on the list of priorities. And although land and the rent accruing from landed property (in addition to the ideologically positive realisation of self-sufficiency) were important considerations, it is clear that imperial titles and pensions were just as fundamental to the economic position of the power elite.

Investment in commerce certainly took place, but however substantial it might have been, it was entirely marginalised ideologically, in terms of cultural rewards and symbolic value. It is not, as used to be thought, that Byzantines really did refuse to engage with commerce on the grounds that it was in some way dishonorable. This was certainly an attitude (inherited from Classical attitudes and values) to be found in some texts, and it may well be true of a few people, or at least of the professed views of members of the social and cultural elite. But it does not mean that wealthy as well as less wealthy Byzantines were not interested in the profits from trade and commerce or of industrial production of, for example, silks (as in the region of Thebes in Greece in the 11<sup>th</sup> century, for example, where a flourishing silk industry grew up), indeed there is good evidence that successful merchant activity and commerce was held in some esteem.<sup>9</sup> Nor is there any reason to doubt the existence of a flourishing and successful commercial sector in the Byzantine empire during much of the ninth, tenth and eleventh centuries, for example, and beyond.

But little is known about individual merchants, traders and entrepreneurs, indeed virtually nothing about members of this group, except an occasional passing reference to merchants or traders or the captains of merchant ships, in texts such as hagiographies, letters and archival

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<sup>7</sup> See in particular Haldon 1999:139-148

<sup>8</sup> Lemerle 1967.

<sup>9</sup> For detailed analysis of the issue of Byzantine investment in commercial activity, see Haldon 2009: 181-182, 193-204; Magdalino 1989. For the lack of commercial interest on the part of the dominant elite, Hendy 1985: 567-569; with Laiou 1991; 2002b: 1123-1144.

documents. And there is no evidence that Byzantine commerce was active in colonising or attempting to dominate shipping, trade routes and markets outside the limits of the immediate political influence of the empire, except possibly in the brief period from the 1030s to 1080s when merchants and commerce attained a slightly higher status than had been usual, under emperors who needed to build up a metropolitan political base.<sup>10</sup> The archaeological evidence for trade within the empire as well as between imperial territories and outside, both in terms of artifacts and ceramics traded, as well as shipwrecks of the types of vessel used in such trade, is substantial. Merchants were an active and important element in urban economies by the eleventh century (and probably before), but occupied a relatively subordinate – indeed almost invisible – position in the process of wealth redistribution as a whole, possessing no status within the value-system of the members of the social, economic and cultural establishment, especially at Constantinople. The relationship between the state, its political structures and the dominant social-economic elite thus rendered commerce marginal in ideological terms, so that wealth generated through trade appears to have been consumed directly by those engaged in such activities, or invested in the system of honors and precedence, titles and sinecures, centered on the capital and the imperial palace. That the state derived profits, in the form of the 10% *kommerkion* or customs tax imposed on goods at a range of important coastal or frontier collection points is clear, and we possess both textual references to the officials responsible, as well as many of their lead seals, used to conduct official business. Even at the height of the period of economic expansion during the middle and later twelfth century the total revenue for the state from the non-agricultural sector was little more than a fifth of that from the agrarian sector. But the relative income from such sources was, until after the Fourth Crusade in 1204 and the consequent dramatic shrinkage of the empire territorially, quite small in comparison with the income from land and related taxes and dues. Only then, as the ratio of landed income to commercial income was radically altered, did trade become a significant element in the state's economy as well as in its awareness.<sup>11</sup>

This is fundamentally different from the situation that evolved in the Italian maritime merchant cities with which the Byzantines did business in the later eleventh and twelfth centuries, especially Venice, Genoa and Pisa. While they possessed agricultural hinterlands

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<sup>10</sup> See Harvey 1989: 235-236 on fairs and markets; Hendy 1985: 570-590; and the surveys in Laiou 2002c.

<sup>11</sup> Laiou 2002d for a survey of this material, and emphasizing the rise in importance of trade and commerce after the ninth century.

which generated some elite revenues, the cities were dominated by businessmen whose wealth and political power was generally dependent as much, if not more so, on commerce than on rents.<sup>12</sup> This was true of Venice as well as several other trading cities, which evolved a vested interest in the maintenance and promotion of as lucrative and advantageous a commerce as possible, so that the economic and political interests of the leading and middling elements were identical with the interests of the city, its political identity and its independence of outside interference.<sup>13</sup> While the Byzantine government tried constantly to minimise the concessions it had to grant the Venetians (and later the Genoese and Pisans) in return for their political support, it played,<sup>14</sup> in contrast to the Italian maritime cities, no role at all in promoting indigenous enterprise (as far as can be ascertained), whether for political or economic reasons, and viewed commerce as simply another (minor) source of state income: commercial activity was both seen as, and was in reality quite marginal to the society, political system and *Weltanschauung* in which it was rooted. No dynamic merchant elite evolved in Byzantium. But this is not because they were outnumbered by Italians;<sup>15</sup> nor because of a purely ideological distaste or lack of interest in such activity; nor is it merely the failure of an archaic and statist political-economic system to respond to new conditions. Rather it was the effect of the relationship between the political and ideological structure of the central imperial state on the one hand, and the perceptions and vested interests of the dominant social-economic elite on the other, for whose economic and political advancement an interest in commerce appeared both economically and politically as quite irrelevant. Interest in trade and commerce there certainly was, but for those at the top of the social scale it was perceived as both economically unimportant and socially and culturally demeaning. For those who were involved in trade it brought neither social advancement nor, for the most part, great social wealth. And because Italian commerce during the period from the ninth to the middle of the twelfth century was on a relatively modest scale, regarded as unimportant to the economic priorities of both state and aristocracy, it was enabled to prosper. Demographic expansion in Italy from the eleventh century stimulated the demand for Byzantine grain and other agrarian produce, which meant that Venetian and other traders slowly built up an established network of routes, ports and market bases, originally based on carrying

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12. See Lopez 1937.

13. General discussion Hyde 1973; Abulafia 1987; Postan and Rich 1952: 327-336, 345-346; Martin 1988.

14. See Lilie 1984: 103-115.

15. See Lilie 1984: 290-302.

Byzantine bulk as well as luxury goods and Italian or western imports to Constantinople, later expanding to a longer-distance commerce to meet the needs of an expanding Italian market. By the middle of the twelfth century the Venetians, Genoese and Pisans had, to a greater or lesser extent, and with different emphases in different regions, been able to entrench themselves in both the commercial and the political worlds of the eastern Mediterranean, Aegean and Black seas and thus set up a substantial challenge to the established political and economic relationships of those regions.<sup>16</sup>

The point here is, once again, not that Byzantines were culturally averse to commerce, but rather that those aspects of social praxis which represented the means to fulfill elite social and economic aspirations and identities generated, and were reinforced by, particular sets of ideas about the world. While in themselves generated within a given set of economic relationships - the social relations of production of the Byzantine world – such ideas acted back upon these relationships. When the conditions which gave rise to those modes of social practice changed, but the order of the various elements of the symbolic universe did not, when ideas about the world did not adjust in step with such changes, then the value-system of society, or key elements thereof, could and did affect the social praxis of members of the elite to the detriment of their longer term economic and thus political interests. I am not suggesting that Byzantines had a free choice and somehow failed to make the right decisions: to the contrary, their ideas about how the world worked, their ability to think outside the cultural norms of their symbolic universe, were limited by those very norms.

Control of resources – agrarian, pastoral, human, as well as ‘natural’ – remained a crucial determinant of Constantinopolitan policy throughout. The means of control shifted as the context changed, but remained anchored in the structures of management inherited from the late antique past. But we need to bear in mind that this applied as much to ideology and the attendant social values and praxis as it did to the technical and logistical aspects of resource management. When confronted by a political, economic and military challenge from Venice and Genoa that was based on commercial transactions, the carrying trade and control of shipping, all rooted in a completely different and quite alien understanding of the value of commercial enterprise, the Byzantine establishment had no means with which to respond. By the time it had

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16 See Postan and Rich 1952: 327-328, and Lilie 1984: 290; and esp. the discussion of Martin 1988.

learned from the experience, in the later thirteenth century, the political as well as the commercial situation had changed so dramatically that it was too late.

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