

Economy, ancient, approaches to

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Summary

The Greeks and Romans did not develop a concept of ‘the economy’ or discuss economic matters at any length; the study of the ancient economy therefore began only in the late 18th century, in parallel with the developing study of contemporary economic development, and was heavily influenced from the beginning by the question of the relationship between antiquity and modernity. The field has long been dominated by two different but closely connected debates, about the nature and degree of development of the ancient economy (was it ‘primitive’, or on the contrary proto-modern?), and about the correct theoretical and methodological tools for studying it, with constant anxieties about the dangers of anachronism. An especially important theme has been the changing weight placed on material rather than literary evidence, as archaeologists have accumulated ever greater information about economic activity, leading to calls in recent years to focus on ancient economic performance rather than on the structures of culture and thought that supposedly inhibited ancient development.

Keywords

economy, economics, historiography, development, primitivism, substantivism, formalism

Introduction

The subject of the nature and development of the economies of classical Greece and Rome has long been highly controversial, even described by one eminent economic historian as ‘an academic battleground’.ⁱ It brings to the forefront questions about how to interpret limited and fragmented evidence, much of which has no direct connection to economic issues but can perhaps serve as a ‘proxy’ for what historians really wish to know. Further, because economics and economic history are pre-eminently modern fields of study, associated with social-scientific more than humanistic approaches, theoretical debates and contemporary implications are rarely absent from the discussion.

The study of the ancient economy is unavoidably anachronistic, despite the fact that the word derives from the Greek *oikonomia*, meaning the management of the household. Ancient thinkers never developed any idea of ‘economy’ as an aspect of their world or as a subject of study (see *economic theory, Greek*). With the exception of agriculture and household management, writers showed little interest in discussing what we would today define as economic matters; even their practical advice on farming was heavily influenced by moral and political considerations rather than treated as a separate sphere of activity with its own principles and values (see *wealth, attitudes to* and *wealth, Roman attitudes to*). This intellectual gap or deficiency has been taken by some modern historians to be both a sign of limited economic development – or else ancient authors would have recognised the importance of the subject – and an active impediment to it.ⁱⁱ It is clear that economic activity did develop significantly in both scale and complexity over the course of classical antiquity, and this generated copious evidence of different kinds, especially material (see *economy, Greek, economy, Hellenistic* and *economy, Roman*). However, these phenomena were ignored by elite authors (or at best misunderstood and interpreted in moral and/or political

terms), and no attempt was made at studying or explaining them before the emergence of 'political economy' in modern Europe as a self-consciously new field of study.

Before the middle of the 19th century, the basic assumption of these proto-economists was that the economies of classical antiquity and modern Europe were of the same basic nature and subject to the same physical limitations; authors like Adam Smith therefore drew on ancient literary sources without hesitation to inform their arguments about the development of contemporary society.ⁱⁱⁱ Indeed, many argued that Greece and especially Rome were actually more powerful, wealthy and populous than any present-day state; the one advantage possessed by the moderns was the discovery of political economy as a branch of science, which might offer a basis for future improvement. The 'discovery' of the economy as an object of analysis also served as a spur to historians to develop a better understanding of this aspect of the past, as in August Boeckh's ground-breaking 1817 study of the state finances of classical Athens; they focused on the detail of the evidence, with increasing reliance on non-literary sources like epigraphy in recognition of the limited perspective of ancient writers, but had no hesitation in adopting the categories and assumptions about economic life employed by the political economists.^{iv}

Over the course of the 19th century, two major intellectual shifts became evident. The first was a growing perception of the technological differences between classical antiquity and modern Europe – in terms of energy, communication and productivity – and their implications, both for the potential of the modern economy and for the limitations of the ancient (cf. *energy and power*). 'Modernity' was seen both as distinct from all previous societies and as materially superior to them. Mainstream economics retained the belief that underlying economic principles such as rational calculation and the workings of markets were universal, but that meant antiquity was simply a less developed version of the present, and hence of little interest to the discipline. In parallel, other branches of study increasingly claimed to identify qualitative differences between modernity and pre-modern societies. For example, Karl Marx identified 'capitalism' as a distinctive stage in historical development rather than a universal condition, implying that all elements of 'the economy' are historically specific, and argued that economists' claims about the existence of transhistorical universal principles were an ideological move intended to present capitalism as eternal^v (see *capitalism* and *Marxism and classical antiquity*). The sociologist Max Weber's ideas about the cultural and intellectual basis for the birth of capitalism, which he located in specific historical circumstances in early modern Europe, equally implied that antiquity was non-capitalist (or at best proto-capitalist) and hence under-developed in economic terms, despite its sophistication in other respects.^{vi}

'Primitivism' and 'Modernism'

Subsequent discussion of the ancient economy has, to a significant degree, simply echoed these early debates. Arguments about the level and nature of economic activity in antiquity, and the development or non-development of institutions and practices, return time and again to the identification and evaluation of similarities and differences with modernity, and whether these should be understood as qualitative – a different kind of economic organisation and/or mentality – or simply quantitative, a matter of the scale of trade and manufacturing activity. Clearly Greece and Rome were never fully modern, so arguments generally revolve around comparison with early modern Europe, as the template for a society that had then fully modernised. Thus much debate about the economic role of the ancient city, for example, has focused on whether it was a 'producer', and so comparable to the early modern cities that were (according to Weber) the crucibles of capitalism and modern commerce, or was instead a parasitical 'consumer' that would have stifled any tendencies towards development.^{vii} It could be argued that the European experience was simply better known at this time than that of other societies, resulting in this choice of comparison, whereas scholars today both can and should bring the Byzantine or medieval

Arabic economies into the discussion. But that ignores the extent to which these debates derived from a sense of Western exceptionalism, at least some of whose assumptions continue to influence current debates.

The dominant attitude in the first half of the twentieth century among the limited number of ancient historians who took an interest in the economy was implicitly 'modernising', emphasising both the scale of ancient achievements and their sophisticated nature. In part this suggests a tendency to over-value Greek and Roman civilization, both absolutely and in comparison to other pre-modern societies, not least because the classical world was seen as the birthplace of late European developments. When the economist Karl Bücher placed classical antiquity at the 'household economy' stage in his schema of global historical development, on the grounds of the absence of evidence for large factories or organised firms, the response of the eminent ancient historian Eduard Meyer was primarily affronted outrage that Greece and Rome should be classed with other 'primitive' societies.^{viii} But the same themes were echoed by scholars with greater expertise in economic history. As M.I. Rostovtzeff remarked of the Roman Empire, 'never before had so considerable a part of Europe, Asia and Africa presented an aspect so civilized, so modern, one may say, in its essential features'.^{ix} A vital influence on Rostovtzeff's interpretation was his interest in the material remains of antiquity, and those from relatively ordinary settlements rather than just the great monuments of the capital cities. These seemed to indicate a high level of general wealth and well-being which Rostovtzeff assumed to be possible only in a more 'modern' economy based on trade, manufacturing and the energies of an entrepreneurial urban bourgeoisie. Other scholars, including those like Tenney Frank who focused on the accumulation of evidence for economic activity and eschewed explicit interpretation, similarly took it for granted that the categories of modern economic life were applicable to antiquity.^x

A significant shift in perspective came after World War II, with the admission of A.H.M Jones to an audience of economic historians that antiquity entirely lacked the statistics that were the basis for the study of later economies, and that this lack reflected its general underdevelopment. The idea was taken further by Jones' Cambridge-based successors like Moses I. Finley and Keith Hopkins, informed in part by their familiarity with the social sciences and comparative approaches rather than naïve positivism and ancient exceptionalism. They advanced multiple grounds for seeing antiquity as significantly underdeveloped, frequently emphasising (in the spirit of Max Weber) the close connection between cultural ideas and values and material reality: the limited development of productive technology going hand-in-hand with a lack of innovative mentality or interest in saving labour, the reliance on slave labour as both a limit on development and a reflection of an underdeveloped economy, the lack of integrated markets as both cause and consequence of production strategies focused on subsistence. They presented the ancient economy as fully embedded in ancient society and its values, rather than a separate field of activity – economic relations were dominated by social factors, like a concern for status, whereas modern social relations are dominated by the economic sphere - and thus subject to severe constraints on the possibilities for real growth or change.^{xi}

Other historians in this period continued with the patient accumulation of evidence and analysis of sources, but even where they eschewed wider interpretation of these data their approach fits a general pattern of scepticism about the level of economic development possible in antiquity. But the arguments of Finley sparked a reaction elsewhere against this alleged 'primitivism' – a label applied by opponents of the 'Cambridge' school, rather than adopted by them – on multiple grounds. Finley's approach has been variously criticised as relentlessly negative, obsessed with questions of terminology, dominated by examples from archaic and classical Greece (Finley's main area of expertise) that were simply assumed to apply to later periods of antiquity, and excessively concerned with social and cultural factors, neglecting the wealth of material evidence which pointed to a vast range of activity beyond

the rarified and ideological world of the texts. The Finleyite response was that such criticisms over-estimated the significance of material remains and interpreted them optimistically, just as Rostovtzeff had done, and relied on imagining the existence of ancient entrepreneurs and market activity in the gaps between surviving evidence. To take a concrete example: examples from early modern Europe did indeed indicate that, despite an aristocratic value system that despised trade, plenty of aristocrats owed their fortunes to the commercial activities of their forebears – but that is not enough to prove, in the absence of any direct evidence, that the equally anti-trade value system of the Roman elite must necessarily have been accompanied by elite entrepreneurs quietly operating below the radar^{xii} (see *traders* and *trade, Roman*).

Performance and Structure

Over the last few decades, given the impossibility of determining whether ancient values reflected and/or determined ancient economic behaviour or on the contrary were a vain attempt at controlling naturally entrepreneurial spirits, historians and archaeologists impatient with the existing debate have argued for a shift to studying economic ‘performance’ rather than ‘structure’.^{xiii} If we can identify significant improvements in individual nutrition, health or quality of life, or in the level of industrial or commercial activity, that would indicate the reality of economic development in antiquity, whatever we may think of the ‘pre-modern’ or ‘modern’ nature of ancient society and irrespective of how its inhabitants thought about their world. Indeed, evidence for higher levels of economic performance might be taken to prove that the structure of the ancient economy was indeed relatively modern. This new approach has gone hand in hand with a vast increase in knowledge, based partly on new forms of evidence (e.g. plant and pollen samples, ice cores, sediment deposits) and partly on new scientific methods of analysis, as well as an increased focus on quantification.^{xiv} However, the problem remains: the interpretation of much of this evidence, especially when it is used as a proxy for something else, and still more the interpretation of its wider significance, continues to rely on pre-existing assumptions about the broader context and the most appropriate comparators for the economies of classical antiquity.

The main hope for further progress may be a shift to more explicit and refined analytical models, using computational and statistical analysis to test hypotheses properly rather than remaining solely within realm of natural language, such as the use of value-laden terms like ‘sophisticated’ or ‘developed’ without specifying their meaning properly.^{xv} This would involve recognition that all economic systems are complex, simply in different ways, rather than assuming that the obvious differences between modern and ancient mean the latter must be simple and primitive. But this line of argument remains open to the objection that such models will either be too simple and limited to bear the weight of interpretation, or too abstract to be properly tested with the available evidence. The fragmentary evidence for the ancient economy can always be fitted to different models and interpretations, and interpreted optimistically or pessimistically.

The Use and Abuse of Theory

One significant reason for the interminable nature of the primitive/modern debate is that it intersects with a different set of issues and is regularly confused with them: issues of theory and methodology. The main positions are sometimes labelled ‘formalism’ and ‘substantivism’, drawing on ideas developed by the economic historian and anthropologist Karl Polanyi and his associates in the mid-twentieth century.^{xvi} In simplified terms, formalists assume that mainstream economic theory has identified principles of human behaviour that are universally valid, at least as simplifying assumptions in the analysis of a complex reality; therefore they can be used to analyse past societies, and even fill in gaps in evidence or discount contrary evidence. In brief, if we assume that humans are always essentially rational maximisers of utility, then ancient literary evidence suggesting that Greek or Roman

individuals might prioritise moral or political values over opportunities for profit can be discounted as rhetorical posturing.^{xvii} Substantivism, in contrast, argues that the principles underpinning modern economic thought are at best operable only within the modern, capitalist economy from which they have been derived; other, pre-modern and non-western societies operated according to different principles of human behaviour, and so need to be studied and interpreted in their own terms rather than through modern concepts.

The tradition of emphasising the distinctive culture and values of classical antiquity, and therefore of emphasising the more limited role of the economy compared with the present, clearly derives from this latter line of thought. Strictly speaking, the formalist/substantivist debate is entirely separate from the modernism/primitivism one, but in practice the formalist/moderniser and substantivist/primitivist positions have tended to go together. The contrasting theoretical positions are more likely to be consciously adopted and articulated by individual scholars, whereas 'primitivist' or 'moderniser' are commonly applied as labels to intellectual opponents. As ever, a significant number of ancient historians eschew any theoretical position, and are then criticised by substantivists for naively making use of modernising terminology like 'market' or 'capital' without specifying its meaning in an ancient context or recognising the risks of anachronism. To a formalist, on the other hand, this focus on terminology may appear both as absurd pedantry and as revealing a fundamental ignorance of economics, if not an openly ideological stance. Such debates are ultimately irresolvable. To assume that the existence of concrete markets in ancient societies must necessarily indicate the presence of a 'market economy' is undeniably problematic; but it is also the case that no amount of empirical evidence for widespread market transactions and regional interdependence in antiquity will undermine the *theoretical* position that the language of markets is inherently inappropriate because of its roots in modern economics.

Economics is not a monolithic discipline; some elements of economic theory are less bound to the specific conditions of modern capitalist economies than others, and so a pragmatic formalism, selecting specific ideas and models on the basis of their potential applicability to pre-modern societies, is a more reasonable position for historians than the blanket rejection of all modern economic ideas. One example is the so-called New Institutional Economics, which emphasised both the importance of political, social and cultural factors in shaping economic behaviour, rather than abstracting economy from the rest of society, and the need for a historical perspective, and so has been embraced by a number of ancient historians in recent years.^{xviii} Not all economic research assumes that humans are straightforward and predictable 'rational maximisers'; recent studies in behavioural and cultural economics arguably provide an empirical basis for the substantivist intuition that historically specific culture and values do influence economic behaviour, and might offer a foundation for future research into the distinctive economic rationality of ancient societies.^{xix} Equally, historians need to recognise that economic theories are not descriptions of reality but simplified models intended to explore the relationships between key variables; it is perfectly feasible to adopt a limited number of assumptions as interpretative tools, if the procedure is properly explained and justified.^{xx}

Conclusion

All economic systems are complex, which is why simplifying models and concepts are essential; still more so when the evidence is fragmentary and can be fitted to multiple possible interpretation. One reason for the endless debates over the nature of ancient economy, with which many practitioners declare themselves weary, is that the subject is simply complex and difficult, and the risks of anachronistic assumptions are greater than in many fields of ancient history. There is, however, also an unavoidable political and cultural dimension, insofar as this theme goes to the heart of the relationship between antiquity and modernity, which, consciously or not, then influences historians' interpretations.

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Notes

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- ⁱ Keith Hopkins, 'Introduction', in Peter Garnsey, Keith Hopkins and C.R. Whittaker, eds., *Trade in the Ancient Economy*. London: Chatto & Windus, 1983, ix.
- ⁱⁱ See in particular M.I. Finley, *The Ancient Economy*, originally published in 1973; updated edition with useful introduction by Ian Morris, Berkeley CA: University of California Press, 1999.
- ⁱⁱⁱ On these early accounts of the ancient economy, see Neville Morley, 'Political economy and classical antiquity', *Journal of the History of Ideas* 59.1 (1998), 95-114, and Morley, *Antiquity and Modernity*. Malden, MA: Wiley-Blackwell, 2009: 21-47.
- ^{iv} August Boeckh, *Die Staatshaushaltung der Athener*, first published Berlin, Germany: Realschulbuchhandlung, 1817; translated as *The Public Economy of Athens*, trans., G.C. Lewis, 1828.
- ^v See Padelis Lekas, *Marx on Classical Antiquity: Problems of Historical Methodology*. New York: St Martin's Press, 1988; George E. McCarthy, *Marx and the Ancients: Classical Ethics, Social Justice, and Nineteenth-Century Political Economy*. Savage, MD: Rowman & Littlefield, 1990; Neville Morley, 'Marx and the failure of antiquity', *Helios* 26.2 (1999), 151-64.
- ^{vi} See Max Weber, 'Agrarverhältnisse in Altertum' (1909), translated as *The Agrarian Sociology of Ancient Civilizations*, trans. R.I. Frank. London: Verso, 1976. Discussed by e.g. John R. Love, *Antiquity and Capitalism: Max Weber and the Sociological Foundations of Roman Civilization*. London: Routledge, 1991; George E. McCarthy, *Classical Horizons: The*

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vii See e.g. Moses I. Finley, 'The ancient city: from Fustel de Coulanges to Max Weber and beyond', in Finley, *Economy and Society in Ancient Greece*, eds. Brent D. Shaw & Richard P. Saller. London: Chatto & Windus, 1981, 3-23; Elio Lo Cascio, E., 'Urbanization as a proxy of demographic and economic growth', in Alan Bowman & Andrew Wilson, eds., *Quantifying the Roman Economy: Methods and Problems*. Oxford U.K.: Oxford University Press, 2009, 87-106; Paul Erdkamp, 'Urbanism', in Walter Scheidel, ed., *The Cambridge Companion to the Roman Economy*. Cambridge U.K.: Cambridge University Press, 2012, 241-65.

viii Karl Bücher, *Die Entstehung der Volkswirtschaft*. Tübingen, Germany: Laupp, 1893; translated as *Industrial Evolution*, trans. S.M. Wickett. New York: Henry Holt, 1901. Eduard Meyer, *Die wirtschaftliche Entwicklung des Altertums*. Jena, Germany: G. Fischer, 1895. Key texts in the controversy collected, with discussion, in M.I. Finley, ed., *The Bücher-Meyer Controversy*. New York: Arno Press, 1979. On the work of Bücher, see Beate Wagner-Hasel, *Die Arbeit des Gelehrten: Der Nationalökonom Karl Bücher (1847-1930)*. Frankfurt a.M., Germany: Campus, 2011.

ix M.I. Rostovtzeff, *The Social and Economic History of the Roman Empire*. Oxford, U.K.: Oxford University Press, first edn. 1926, quote from 139. Rostovtzeff, *The Social and Economic History of the Hellenistic World*. Oxford, U.K.: Oxford University Press, first edn. 1941. See discussion of his work and legacy by Brent D. Shaw, 'Under Russian eyes', *Journal of Roman Studies* 82 (1992), 216-228.

x Tenney Frank, *An Economic Survey of Ancient Rome*, 2 vols. Baltimore MD: Johns Hopkins University Press, 1933 and 1940.

xi A. H. M. Jones, *The Roman Economy*, ed. P. A. Brunt. Oxford, U.K.: Blackwell, 1974. On Finley, see e.g. Alessandro Launaro, 'Finley and the ancient economy', in Daniel Jew, Robin Osborne & Michael Scott, eds., *M.I. Finley: An Ancient Historian and His Impact*. Cambridge, U.K.: Cambridge University Press, 2016: 227-49.

xii R. Duncan-Jones, *The Economy of the Roman Empire, Quantitative Studies*, 2nd edn. Cambridge, U.K.: Cambridge University Press, 1982. John H. D'Arms, *Commerce and Social Standing in Ancient Rome*. Cambridge MA: Harvard University Press, 1981. (13) Scheidel, Morris and Saller, eds., 2007.

xiii Scheidel, Morris and Saller, eds., 2007.

xiv Walter Scheidel, ed, *The Science of Roman History: Biology, Climate, and the Future of the Past*. Princeton NJ: Princeton University Press, 2018.

xv Myles Lavan, 'Epistemic uncertainty, subjective probability, and ancient history', in *Journal of Interdisciplinary History* 50.1 (2019): 91-111. Tom Brughmans, T., 'Evaluating the potential of computational modelling for informing debates on Roman economic integration', in Koen Verboven, ed., *Complexity Economics. Building a New Approach to Ancient Economic History*. London: Palgrave Macmillan, 2021: 105-23.

xvi Karl Polanyi, *The Great Transformation*. New York: Farrar & Rinehart, 1944; Polanyi, *Primitive, Archaic, and Modern Economics: Essays of Karl Polanyi*, ed. George Dalton. New York: Doubleday, 1968. Gareth Dale, *Karl Polanyi: the Limits of the Market*. Cambridge: Polity, 2010.

xvii Cf. discussions in Temin 2013, the most explicitly formalist analysis of the Roman economy, together with the general overview offered by Ian Morris, 'Hard surfaces', in Paul

Cartledge, Edward E. Cohen and Lin Foxhall, eds., *Money, Labour and Land in Ancient Greece*. New York and London: Routledge, 2001, 8-43.

^{xviii} See e.g. Douglass C. North, *Institutions, Institutional Change and Economic Performance*, Cambridge U.K.: Cambridge University Press, 1990; Claude Ménard and Mary M. Shirley, eds., *Handbook of New Institutional Economics*, Heidelberg: Springer, 2008. It has been suggested, however, that such approaches may simply re-describe the ancient world in economics-friendly terms, with neither fidelity to the distinctiveness of the past nor the explanatory power of more abstract and explicit models: Peter F. Bang, 'The ancient economy and new institutional economics', *Journal of Roman Studies* 99 (2009) 194-206.

^{xix} Bresson 2016.

^{xx} Ober 2015; Colin P. Elliott, *Economic Theory and the Roman Monetary Economy*. Cambridge, U.K.: Cambridge University Press, 2020.