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*The Economic History of Byzantium:
From the Seventh through the Fifteenth Century*

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Introduction

Writing the Economic History of Byzantium

Angeliki E. Laiou

It is common knowledge that the Byzantine Empire lasted for more than a thousand years from beginning to end, undergoing many changes and experiencing periods of expansion and contraction. It is less widely known, understood, and accepted that this longevity was based on an economy with interesting and often complex structures. The Byzantine Empire had at its disposal resources that no medieval state, at least in western Europe, could command until the end of the Middle Ages; the Islamic states, of course, are another matter. During the happy times, for example, in the tenth century, the Byzantine Empire projected an image of wealth and luxury. The travelers who visited its capital were profoundly impressed by the wealth accumulated in Constantinople; riches that were very real but that also served the state's diplomatic purposes as a means of propaganda and a way to impress foreigners as well as its own citizens. Constantine VII describes the details of the preparation of the palace when foreign rulers or ambassadors were expected: silver lamps, gold-shot curtains, rich carpets decorated the rooms to which roses lent their scent, and which were full of officials in their silk, gold-embroidered dress. When Liutprand of Cremona visited Constantinople for the first time, in the 940s, he was stunned by the magnificence of the palace and of the emperor, seated on his gilded throne with its automata: birds that sang, lions that roared, and a machine that raised up the throne before the visitor could arise from the prostration. Constantine VII, for his part, acknowledges that all of this was precisely orchestrated, so much so that the lions' roar stopped just at the moment when the emissary presented his gifts to the emperor.

Such extravagances were possible until the late twelfth century. Manuel I Komnenos organized an impressive reception for the Seljuk sultan Kilidj Arslan II. The throne room was so richly decorated, and the emperor himself so bedecked with gold, pearls, precious stones, and silks, that the sultan was duly persuaded of the greatness of the empire—without, however, being deterred from attacking it a few years later. From the tenth century until the end of the twelfth, the Byzantine state gave the impression that it had great resources and very considerable wealth. The extravagant Constantine IX Monomachos, for instance, if we are to believe the Arab source that reports it, sent the caliph a gift of 500,000 gold coins, a whole 2.2 tons of gold. Manuel I spent on a single, ill-fated expedition to Sicily 2,160,000 gold coins, approximately 8 tons of gold.

These are the riches described admiringly and greedily by the western sources of the Fourth Crusade when they write of the conquest of Constantinople, the wealthiest and most powerful city in Christendom, and of the systematic looting that ensued.

Indeed, an important specificity of the Byzantine economy lies in the role of the state, which is discernible during almost every period, although its weight changed. Apart from the fact that the state retained the monopoly of issuing coinage, whereas in medieval western Europe this right was appropriated by major and minor feudal lords, it also had the power, the possibility, and the will to intervene in other important sectors of the economy. It always exercised formal control over interest rates, thus providing the institutional conditions for loans and for certain forms of investment, which could become advantageous or disadvantageous for particular social or economic groups or for specific activities, for instance, maritime trade. In contrast to the situation in western Europe, the church had very limited control over interest rates, a control dimly visible at certain moments, primarily at the end of the empire, when the patriarchal court of Constantinople judged commercial cases.

State intervention can be seen in other areas as well. In the tenth century, in Constantinople, which constituted the largest single market, the state set the parameters for the activity of the guilds and corporations that sold foodstuffs or dealt in commodities in which the state had a special interest (e.g., the treatment and sale of silk), or whose members exercised a profession that was of importance for trade (e.g., the notaries). During the same period, and in the same city, the state fixed the profit rates for some of these activities. The emperor and his officials intervened at times of crisis to ensure the provisioning of the capital and to keep down the price of cereals. Finally, during long periods of its history, the state collected part of the surplus in the form of tax and put it back into circulation, at least in part, through redistribution in the form of salaries to state officials or to the army, or in the form of investment in public works, buildings, or works of art. Even the transfer of tax revenues by the state to individuals or institutions may be said to have influenced the use of the surplus. It therefore comes as no surprise that studies of the Byzantine economy have focused, initially and principally, on fiscal issues and, by extension, on the agrarian economy which was for centuries the major surplus-producing economic activity. Besides, our sources are more informative on such issues than on many others.

The state, however, was not the only player in the economic field in Byzantine times or at any other time. There were also economic relations that were either partly dependent on the state or completely independent of it, for example, agricultural production, relations between great landlords and peasants, and the relations of both with the market. There was commerce, domestic and international. There was the urban economy, the economic activities of the urban population, and the role of the cities as centers of production, consumption, and exchange.

Although we have many good studies of various aspects of the Byzantine economy, there is no single synthetic work that would provide a global view of the subject. The fact that over the last few decades research has made important strides brings into evidence the need for a work that would treat the economy as a whole. I do not simply

mean that there is need for a study of the development of the Byzantine economy over time. It is equally important to understand its structures and their articulation, something that cannot be easily achieved in studies of specific topics. The questions that arise in connection with the Byzantine economy are many, and the answers that have been given by scholars are often conflicting. For example, how productive were its various sectors? The answers that have been given up to now to this important question, especially with regard to the agrarian economy, cover a broad spectrum and are connected with another question, namely, whether productivity varied according to the prevalence of the small holding or the large estate, which in turn leads to broader questions regarding political and social structures.

When we turn to the commercial sector, the first question that arises is, how important were trade and market relations, in which periods, and for which part of the population? Was the movement of goods, both within the empire and outside it, the result of economic relations or of non-economic exchange such as gifts or political payments? Were markets a determining mechanism, and was there an important merchant class or not? Here, too, there are conflicting opinions. Some scholars think that there was always significant economic exchange, while others consider that there was development, and that it was not unilineal in the sense of ever-increasing commercial activity and ever greater importance of the commercial class; still others think that commercial relations were just about insignificant until Italian merchants entered the eastern Mediterranean and brought about the differentiation of the economy. The latter group emphasizes autarky and autoconsumption within the framework of both the peasant smallholding and the large estate.

There are other important questions regarding structures. How well articulated was the Byzantine economy, what were the mechanisms through which articulation was achieved, and what were the determining factors, the state, market forces, or a combination of the two? Similar questions have been posed with regard to money: did its production and circulation serve the needs of the state, or those of the economy at large? What, in the end, was the role of the state and exactly how was it played out, through which institutions, in which sectors, with what results? Was the Byzantine economy truly tied to the state, which functioned according to its own logic that had more to do with political aims and less or nothing to do with the needs of the economy? Or, on the other hand, was this an economy in which the state had great economic power, both for institutional reasons and because of the size of the state sector, but in which there were also economic relations formed without direct state intervention and following economic laws to which the state also was subject, and according to which it shaped its policy in order to respond to the needs posed by the development of the economy? In other words, was this a primarily state economy that collapsed with the decline of state power or, to the contrary, a mixed economy that showed flexibility, at least up to a point, and that, despite its limitations, changed its structures as a result of changing circumstances both domestic and international?

Also at issue is the economic behavior of the people. Were the Byzantines apathetic and passive in their economic relations, covered by the umbrella of a state whose pro-

tection of the consumer left no room for economic experimentation and investment, or does their behavior suggest that they were, indeed, capable of taking advantage of opportunities and following the profit motive? What were the ideological norms on economic matters, or, to put it differently, what do we know of the economic thought of the Byzantines, and to what extent was it systematized?

Current research has made great progress on some of these issues, despite the difficulties posed by our uneven documentation. The greatest difficulty lies in the relative dearth of quantitative material, although this is to some extent being remedied by the use of new sources including the data provided by archaeology and numismatics. As I write these lines, a number of scholars, among them the contributors to this volume, are reaching the conclusion that the Byzantine economy was more complex and more differentiated than we thought in the past. Scholars no longer accept the idea that this was an economy with archaic structures and without significant development.

It should be noted that a number of the questions I have mentioned here have not been posed or have not been adequately studied before the publication of this book. When we conceived of this project, we thought there was need of both primary research and a synthetic work that would examine the Byzantine economy as a whole. Our aim is the study of the Byzantine economy in its totality, primarily in the period from the seventh to the mid-fifteenth century. The themes treated here include, among others, the demographic factors, the structures and organization of production in the agrarian and urban economies, consumption, investment, credit mechanisms, prices, modes of exchange, domestic and international trade, the production and circulation of coinage, fiscal phenomena, property, aspects of the applied law governing economic issues, economic ideology, and the place of the Byzantine economy in the medieval Mediterranean world.

This book differs in a number of ways from other histories of the medieval economy. First of all, although it is conceived as a synthetic work, which means that certain chapters are the synthesis of earlier work, many other chapters treat new topics or are based on new, original research. The second distinguishing trait is connected with the source material. Alongside the written sources, the results of archaeological research are of great significance, especially with regard to the urban economy. The reasons for this specificity lie in the fact that most archaeological research has been carried out on urban sites and also, at least until the thirteenth century, the written sources relevant to the urban economy are poorer than for, say, the agrarian economy or the fiscal system. We therefore thought it necessary to seek the help of archaeologists, asking them to provide portraits of the economic life of various cities on the basis of archaeological data. Thus, along with the synthetic chapters that treat the urban economy, certain cities have been examined singly. Third, in Byzantium the economy functioned within a framework of legal rules and preconditions, as well as of legal practice, even if theory and practice were not always in agreement; for this reason, the contribution of jurists and students of the history of law was important.

It is customary in the introduction to a synthetic work to take account of the most important earlier works of the kind. In our case, this would be difficult to do. There

are, indeed, many and worthwhile studies on particular issues, and these are included in the bibliographies to the various chapters. However, large general studies of the Byzantine economy do not exist. I will, therefore, mention only one or two books that do aim at a general view. The first is Michael F. Hendy's *Studies in the Byzantine Monetary Economy c. 300–1450* (Cambridge, 1985), which, despite its somewhat restrictive title, has a great deal to say about the Byzantine economy in general. The second consists of the two volumes of *Hommes et richesses*,¹ in which the specialized studies tacitly and implicitly paint a synthetic view of some important aspects of the economy.

Given that the conceptualization as well as the execution of the work at hand took place in Greece, it seems appropriate to mention some of the Greek scholars who have studied the economy of Byzantium. Such an acknowledgment is pertinent for two other reasons as well: their work is not widely known to the international scholarly community, and these scholars were economists by training or by profession, something rare among Byzantinists.

Given the weighty role of the state in the Byzantine economy, it is not surprising that these scholars should have focused their interest on the relationship between the state and the economy. Already in the nineteenth century the topic had attracted the attention of men whose primary activity was either the study or the practice of economics. First in chronological order is Paulos Kalligas, governor of the National Bank of Greece, who wrote, along with studies of the history of Byzantium, an essay on “serfdom” and taxation.² Alexandros Diomedes was governor of the National Bank of Greece, the first governor of the Bank of Greece (1928–31), a member of the Academy of Athens, and a student of the economy of Byzantium. As might be expected of the first governor of the central bank, he was interested in coinage and money; he also had broader interests, writing about the land tax, the economic and social policies of the Macedonian emperors, and the economic policy of the Byzantine Empire after 1204.³

Any mention, however schematic, of the economists who studied the Byzantine economy cannot but give pride of place to Andreas Andreades, the first professor of public finance at the University of Athens. His monumental work on the history of Greek public finance, published between 1928 and 1931, and reissued in 1992, includes the Byzantine period. The first edition was published with support from the Bank of Greece, the National Bank of Greece, and the University of Athens, among others. The English edition was published by Harvard University Press.⁴ Andreades wrote on topics that retain their interest today. As an example, I mention his *La vénalité des offices*

¹ *Hommes et richesses dans l'Empire byzantin*, 2 vols. (Paris, 1989–91).

² P. Kalligas, “Περὶ δουλοπαροικίας παρὰ τοῖς Βυζαντίοις καὶ περὶ φορολογικῶν διατάξεων,” in idem, *Μελέται καὶ λόγοι* (Athens, 1882).

³ A. N. Diomedes, “Ἡ ἐξέλιξις τῆς φορολογίας τῆς γῆς εἰς τὸ Βυζάντιον,” *ΕΕΒΣ* 19 (1949): 306–14; idem, “Ἡ πολιτικὴ τῆς Μακεδονικῆς δυναστείας κατὰ τῆς μεγάλης ἰδιοκτησίας (Athens, 1943); idem, “Ἀπὸ τὴν οἰκονομικὴν πολιτικὴν τοῦ φθίνοντος Βυζαντίου: Ἡ ἐξέλιξις μετὰ τὸ 1204.” *Νέα Ἑστία* 55 (1953): 823–32.

⁴ A. Andreades, *Ἱστορία τῆς Ἑλληνικῆς Δημοσίας Οἰκονομίας*, vol. 1 (Athens, 1928); vol. 2 (Athens, 1930–31); reissued in 1992, with an introduction to the second volume by Savvas Spentzas. For the English translation, see A. Andreades, *A History of Greek Public Finance* (Cambridge, Mass., 1933).

est-elle d'origine byzantine?, a question to which he gave a negative reply, explaining that in Byzantium the sale of offices was a form of loan to the state.⁵ He studied the Byzantine budget, money, and the purchasing power of precious metals, and participated in the long discussion of the advantages and disadvantages of the free economy. In contrast to earlier scholars, he presented both the positive and negative aspects of state intervention in the economy.⁶ Andreades had the great advantage over other scholars that he brought to the study of the Byzantine economy the knowledge and systematic thought of the good economist.

In the work at hand, we made the decision to begin the in-depth study of the Byzantine economy with the seventh century; a few words of explanation are necessary. It will become apparent to the reader that the great political and demographic upheavals that began in the second half of the sixth century and reached crisis proportions in the seventh created conditions that were very different from those obtaining in the large and wealthy Justinianic state. The economic and fiscal structures changed very significantly, and the new structures that emerged were those of a medieval economy. Of course, they were not created *ex nihilo*. They developed from previous forms, but changed to such a degree as to become qualitatively different. The bases for the subsequent growth of the Byzantine economy were created in the seventh and eighth centuries; this substantive reason explains our choice of a starting point.⁷

There is also a second reason, historiographical this time. For the early Byzantine period, through the sixth century, we have the great synthetic work of A. H. M. Jones.⁸ If we had undertaken an equally in-depth study of this period, we would have needed at least another volume, and this seemed unnecessary. On the other hand, archaeological research has uncovered data that Jones did not have at his disposal, which, along with the development of new viewpoints and approaches to the various problems, have changed our conception of the sixth century. The new interpretations are discussed here in "The Sixth-Century Economy," by Cécile Morrisson and Jean-Pierre Sodini, which sets the stage for the rest of our study.

A brief note on terminology: the terms *proto-Byzantine* or *early Byzantine* that are sometimes used in this book refer to the period from the fourth through the sixth century.

⁵ Paris, 1921.

⁶ A. Andreadès, "Le montant du budget de l'Empire byzantin," *REG* 34 (1921): 20–56; idem, "De la monnaie et de la puissance d'achat des métaux précieux dans l'Empire byzantin," *Byzantion* 1 (1924): 74–115; idem, "Byzance, paradis du monopole et du privilège," *Byzantion* 9 (1934): 171–81.

⁷ It is noteworthy that a recent study of the economy of western medieval Europe also differentiates the 5th–7th century from the 7th–9th century, that is, it considers the 7th century as a break of sorts: P. Contamine et al., *L'économie médiévale* (Paris, 1993).

⁸ A. H. M. Jones, *The Late Roman Empire, 284–602: A Social, Economic and Administrative Survey*, 2 vols. (Oxford, 1964).