

# Markets in Ancient Rome

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## A word on the English language

- English is West Germanic language.
- It is a close relative, then, of Dutch and German.
- A bit more distant relative (in increasing separation) of French, Spanish, Russian, and Greek.
- It is a distant (but clear!) relative of Hindi-Urdu, Bengali, Farsi, and Kurdish.
- It has a heavy influence from French due to the Norman Invasion of England in 1066.
- Nevertheless, all the top 100 more common words in English are of distinctive Germanic origin.

# How do we talk, however, about politics?

- The United States (*unit-* and *status*) is a republic (*res publica*) organized by a constitution (*constitutio*).
- Its head of state is a President (*praeses, pl. praesides*).
- Its legislative (*lex* and *latus*) branch is the Congress (*congregior*). Congress has representatives (*repraesentare*) and senators (*senex*). It meets on Capital Hill (*collis capitolinus*).
- Its judicial (*judex*) branch is the Supreme Court (*super* and *cohors*).
- I am a naturalized (*natura*) citizen (*civitas*) of this country, which gives me liberties (*libertas*) and privileges (*privus* and *lex*).
- Among those, the choice of being a progressive (*progredi*), a liberal (*liberalis*), a moderate (*moderate*), or a conservative (*conservativus*). I can even contemplate some more radical stands, from communism (*communis*) and socialism (*socius*) to nationalism (*natio*) or fascism (*fascis*).

# The Roman Empire in 117 AD

- Senatorial provinces
- Imperial provinces
- Client states



# The market economy of Ancient Rome

- Ancient Rome developed a sophisticated market economy.
- High income per capita, widespread international trade, and a vibrant urban life.
- Also, it witnessed the appearance of Roman law.
- Yet, the economy of Ancient Rome relied on slave labor, and the political system it sustained became progressively more centralized and authoritarian.

# Topics to explore

- How do we know?
- Why did this market economy appear?
- What worked?
- What didn't?
- Why did it decay?
- How did Roman think about it?

# A contemporary observer

## Aelius Aristides, 117-181 CE, The Roman Oration

Whatever each culture grows and manufactures cannot fail to be here at all times and in great profusion. Here merchant vessels arrive carrying these many commodities from every region in every season and even at every equinox, so that the city takes on the appearance of a sort of common market for the world. One can see cargoes from India and even from southern Arabia...

Your farmlands are Egypt, Sicily, and all of cultivated Africa. Seaborne arrivals and departures are ceaseless, to the point that the wonder is, not so much that the harbor has insufficient space for all these merchant vessels, but that the sea has enough space (if it really does). Just as there is a common channel where all waters of the Ocean have a single source and destination, so that there is a common channel to Rome and all meet here: trade, shipping, agriculture, metallurgy all the arts and crafts that are or ever were and all things that are produced or spring from the earth. What one does not see here does not exist







## Examples of well-developed industries

- Industrial fishing (for production of fish oil).
- Probably a whaling industry.
- Iron and brass.
- Education.
- Entertainment.

# Roman Law I

- Roman law is one of the most amazing intellectual accomplishments of humanity.
- Perhaps the best proof of the sophistication of Roman economic life.
- Foundation of Western legal systems (both Civil and Common law).
- Through transmission, of other legal systems (i.e., Civil Code of Japan).
- As we will study later in the semester, also crucial for the development of the modern university.
- *Roman Law and the Legal World of the Romans*, by Andrew M. Riggsby (2010).
- *Borkowski's Textbook on Roman Law*, by Paul du Plessis (2015).

# Why a legal system?

- Property rights: definition, enforcement, and transmission.
- Contracts. All contracts are *incomplete*.
- Organization of economic activity.
- A legal system solves problems: applied mechanism design.
- Creation of Roman law: case law vs. statutes.

## Roman law principles applied to the market

- *Res tantum valet quantum vendi potest*: A thing is worth what you can sell it for.
- *In re sua, unusquisque es moderator et arbiter*: Everybody is the moderator and arbiter of his own thing.
- *Volenti ac consentienti non fit iniuria*: One who consents cannot be injured.

# Why not sustained growth?

- Slavery.
- Cultural attitudes.
- Policy.

# Why fall?

- *The Fate of Rome*, by Kyle Harper (2017).
- Climate change.
- Germs.
- Invasions.