2015

Risky Business: Traders in the Roman World

David B. Hollander

Iowa State University, dbh8@iastate.edu

Follow this and additional works at: https://lib.dr.iastate.edu/history_pubs

Part of the European History Commons, and the Social History Commons

The complete bibliographic information for this item can be found at https://lib.dr.iastate.edu/history_pubs/96. For information on how to cite this item, please visit http://lib.dr.iastate.edu/howtocite.html.
Risky Business: Traders in the Roman World

Abstract
There has been tremendous growth in the study of the Roman economy since M. I. Finley penned his rather gloomy "Further Thoughts" on the topic in 1984. The sheer amount of material now available is both impressive and intimidating. Generally speaking, the New Institutional Economics approach, which views institutions as the primary determinants of economic performance because of their effect on transaction costs, has come to dominate Roman economic history. This is a positive development, but attempts to answer macroeconomic questions, such as the nature and extent of growth in the Roman economy, sometimes obscure the role of the individual economic actor: much has been published recently on trade and markets, not enough on traders and merchants. This chapter approaches the Roman economy from the perspective of the trader. I begin by asking who traders were, where, with whom, and under what conditions they worked, what they traded, as well as the environmental, social, and technological factors constraining their behavior. Then I turn to two narrower questions. First, to what extent did Roman traders compete with one another? Second, what can Roman discourse about "business ethics" tell us about the market context in which traders operated? Because substantial changes took place in the late antique economy, this chapter focuses on the late Republican and early Imperial periods. In addition to illustrating the world inhabited by the Roman trader, I hope to demonstrate that modern economic approaches do help us understand the Roman economy, in part because modern traders continue to grapple with many of the same challenges faced by their ancient colleagues.

Disciplines
European History | Social History

Comments
RISKY BUSINESS: TRADERS IN THE ROMAN WORLD
David Hollander
Iowa State University

There has been tremendous growth in the study of the Roman economy since M. I. Finley penned his rather gloomy "Further Thoughts" on the topic in 1984. The sheer amount of material now available is both impressive and intimidating. Generally speaking, the New Institutional Economics approach, which views institutions as the primary determinants of economic performance because of their effect on transaction costs, has come to dominate Roman economic history. This is a positive development, but attempts to answer macroeconomic questions, such as the nature and extent of growth in the Roman economy, sometimes obscure the role of the individual economic actor: much has been published recently on trade and markets, not enough on traders and merchants. This chapter approaches the Roman economy from the perspective of the trader. I begin by asking who traders were, where, with whom, and under what conditions they worked, what they traded, as well as the environmental, social, and technological factors constraining their behavior. Then I turn to two narrower questions. First, to what extent did Roman traders compete with one another? Second, what can Roman discourse about "business ethics" tell us about the market context in which traders operated? Because substantial changes took place in the late antique economy, this chapter focuses on the late Republican and early Imperial periods. In addition to illustrating the world inhabited by the Roman trader, I hope to demonstrate that modern

---

1 Encyclopedias have considerably facilitated the writing of this chapter, in particular Pliny the Elder's Natural History and Wiley-Blackwell's Encyclopedia of Ancient History (on which I have been fortunate to work as the economy editor). The section on competition began as a presentation at a conference of the Classical Association of the Canadian West on Competition in the Ancient World in March of 2004, while I first presented the section on "business ethics" at the annual meeting of the Society of Biblical Literature in November of 2011. I would like to thank those who commented on these papers at conferences, the anonymous readers of the manuscript, the many authors of entries for the encyclopedia, as well as Gary Reger and Walter Scheidel for sharing forthcoming work.

2 But see Holleran (2012), a notable exception to this tendency.

3 For a discussion of "The Transition to Late Antiquity" see Giardina (2007).
economic approaches do help us understand the Roman economy, in part because modern traders continue to grapple with many of the same challenges faced by their ancient colleagues.

MERCHANTS, PRODUCTS, AND THE INFRASTRUCTURE OF ROMAN TRADE

When Braudel sought to understand early modern traders, he could blithely consult their papers. The Roman historian is not so fortunate but still has access to some texts emanating directly from traders and those who worked closely with them. These documents include loan agreements such as those appearing in the Tabulae Pompeianae Sulpiciorum, descriptions of routes, harbors, and markets such as, most notably, the Periplus Maris Erythraei, and numerous inscriptions such as that of A. Herennuleius Cestus who described himself as a mercator omnis generis mercium transmarinarum. Other documents, somewhat further removed from the trader’s day-to-day existence, nevertheless provide extremely valuable information. Legal texts like the Digest describe the rights and obligations of traders with respect to, for example, shipwrecked merchandise (47.9) and maritime loans (22.2). Pliny the Elder’s Natural History lists the many goods traded within and beyond the Empire and often gives prices, notes changes in consumer demand, and comments on the behavior of traders, such as how they sometimes adulterated their products. The agricultural writers provide considerable insight into short and medium distance trade. Cato the Elder recommends the best places to buy farm equipment (Ag. 22.3) while Varro talks about the importance to a villa of access to transportation in order to bring goods to market (Rust. 1.16.2–6). Even Cicero, notoriously hostile to the trader (Off. 1.150), gives us some important clues about their working conditions (Ver. II 5.157) and influence (Leg. Man. 11). Tantalizing references to traders appear throughout Roman literature, though it is true that the passages often leave much to be desired. This is no doubt why we still devote so much attention to the fictional ex-trader Trimalchio.

---

5 Camodeca (1999).
7 ILS 7484 = CIL IX 4680.
8 D’Arms (1981, 97ff.).
Archaeological excavation continues to expand our understanding of the conditions and contexts in which Roman traders operated. Shipwrecks, for example, are an invaluable source since they help us reconstruct trade routes, provide insight into ship design, naval technology, navigation, and storage strategies, as well as indicate some of the products traded over long distances. DNA analysis of amphorae contents from shipwrecks can yield unexpected results. The distribution of wrecks across time and space may reflect changes in the nature and intensity of trade, but it is increasingly clear that shipwrecks do not constitute a straightforward sample of the ships traversing the Roman Mediterranean. Indeed, Bang notes that the “shipping operation of the Alexandrian grain fleet goes virtually undetected in the wreck statistics.” Excavations of harbors and port facilities contribute to debates about the likely sizes of ships, as well as the scale of commerce. Remains of markets and warehouses indicate the onshore environment in which traders worked. Even remote sites can yield surprising results. Marzano argues that finds of Italian snails at Mons Claudianus suggest that private traders exported this “luxury food” from Italy to Egypt during the winter. Mosaics, reliefs, and frescoes provide a host of scenes from the daily life of the trader. Perhaps most famously, the mosaics in the Piazza delle Corporazioni at Ostia depict ships, lighthouses, and cargo. A relief now in the Metropolitan Museum of Art shows a porter delivering amphorae, perhaps to a merchant, while a fresco from the Praedia of Julia Felix, now in the National Archaeological Museum at Naples, depicts traders interacting with customers in a market. Coins also contribute to our picture of Roman traders, although, here too, the evidence must be treated with caution. The geographical distribution of coins may suggest patterns of trade, and

---

9 See, e.g., Wilson (2009, 219ff.).
10 E.g., Foley et al. (2009, 294).
13 Houston (1988).
14 Castagnoli (1980).
15 E.g., Köse (2005) and Rickman (1971).
16 Marzano (2011).
17 Accession number 25.78.63.
18 Inventory number 9062.
the range of denominations in circulation, while their level of wear may indicate the nature and intensity of market transactions.\(^\text{19}\)

In an economy in which the "modal form of economic integration was market exchange,"\(^\text{20}\) nearly everyone was, to a certain extent, a trader. While I will concentrate here mainly on professional traders (whom our sources often refer to as mercatores and negotiatores), i.e., those who earned their living primarily by buying from producers and selling to retailers or consumers, it is important to emphasize that trade happened everywhere, even without the presence of middlemen. Farmers traded produce for coinage and other goods; workers of all kinds exchanged their labor for various forms of money. Even reciprocity involves a kind of trading. Traders were merely specialists. Short-distance trade between farm households or within a small community no doubt involved few such specialists but the longer the distance traveled by goods between producer and consumer or the larger the community in which the goods circulated, the more professional traders are likely to appear.

Mercator and negotiator can both mean "trader" but their precise meanings are hard to pin down. Cicero (e.g., *Verr. 2.2.188, Planc. 64*) implies that they are distinct groups engaged in different kinds of activities. During the Republic, negotiatores appear to have been Italians working in the Roman provinces or client kingdoms and involved in banking, finance, the exploitation of real estate, and perhaps trade while mercatores were traders proper or in some cases shopkeepers.\(^\text{21}\) Under the Empire, as Rougé argues, the negotiator became "un grand commerçant, un marchand en gros."\(^\text{22}\) Mercatores were likely of lesser wealth and stature. Of an even lower stature were the cauponones who could be smalltime traders or innkeepers and shopkeepers. While scholars frequently emphasize the need for traders to deal in a variety of goods in order to manage the risks inherent in long-distance commerce, there seem to have been plenty of specialists. The mercator bovarius traded cattle while the mercator suarius bought and sold pigs.\(^\text{23}\) For wine,

---

\(^{19}\) E.g., Crawford (1977) and Duncan-Jones (1987).


\(^{21}\) Feuvrier-Prévetat (1981). See also Rougé (1966, 275-9), who considers the Republican negotiator to generally not be a trader but possibly a financier of commerce.

\(^{22}\) Rougé (1966, 282).

\(^{23}\) *Mercatores bovari*: AE 1902, 85 = AE 1903, 50; *CIL VI 37806 = ILLRP 802; AE 1991, 682c*. A *mercator suarius: CIL IX 2128.*
there were mercatores vinarii, for grain, mercatores frumentarii, and for olive oil, we find olearii.\textsuperscript{24} The freedman L. Arlenus Artemidorus was a mercator sagarius, dealing in saga (mantles),\textsuperscript{25} while L. Nerusius Mithres had great success, judging from his lengthy funerary inscription, selling goat skins.\textsuperscript{26} The freedman P. Murrius Zetus, a mercator purpurarius (dealer in purple dye), apparently did very well for himself prior to his untimely death while traveling in Campania.\textsuperscript{27} We find the same kinds of specialization in inscriptions mentioning negotiatores. In addition to negotiatores vinarii,\textsuperscript{28} frumentarii,\textsuperscript{29} olearii,\textsuperscript{30} sagarii,\textsuperscript{31} and purpurarii,\textsuperscript{32} there were negotiatores ferrarii (iron-mongers),\textsuperscript{33} materiarii (timber dealers),\textsuperscript{34} cretarii (pottery dealers),\textsuperscript{35} vestiarii (clothes dealers),\textsuperscript{36} lanarii (wool dealers),\textsuperscript{37} marmorarii (marble dealers),\textsuperscript{38} gladiarii (sword-dealers),\textsuperscript{39} sericarii (silk dealers),\textsuperscript{40} salarii (salt fish dealers),\textsuperscript{41} allecarii (fish sauce dealers),\textsuperscript{42} and margariiarii (pearl dealers)\textsuperscript{43} to mention some of the specialties appearing in inscriptions. The epigraphic evidence reinforces the conclusion that there was an important distinction between a negotiator and a mercator. A. Herennuleius Cestus described himself as a mercator omnis generis mercium transmarinarum but a negotiator vinarius.\textsuperscript{44} The mercator sagarius L. Arlenus Artemidorus shared his

\textsuperscript{24} Mercatores vinarii: CIL X 545 and 6493. Mercatores frumentarii: CIL XIV 4234. Mercatores frumentarii et olearii: CIL VI 1620.
\textsuperscript{25} CIL VI 9675 = ILS 7577.
\textsuperscript{26} CIL IX 4796.
\textsuperscript{27} AE 1972, 74.
\textsuperscript{28} CIL III 2131, IX 4680, XII 1896, XIII 1954.
\textsuperscript{29} CIL VI 814, 9668, XIII 1972.
\textsuperscript{30} CIL III 2936, XIV 4458.
\textsuperscript{31} CIL V 5925, 5928, 5929, X 1872.
\textsuperscript{32} AE 1982, 709.
\textsuperscript{33} AE 1922, 82; CIL VI 9666.
\textsuperscript{34} AE 1960, 29.
\textsuperscript{35} AE 192, 1374; 1994, 1350.
\textsuperscript{36} CIL III 5800 and 5816, VI 33889, XIII 4564.
\textsuperscript{37} CIL VI 9669.
\textsuperscript{38} CIL VI 33886.
\textsuperscript{39} CIL XIII 6677.
\textsuperscript{40} CIL XIV 2793, 2812.
\textsuperscript{41} AE 1973, 362, 364, and 378; 2003, 1228.
\textsuperscript{42} AE 2003, 1228; 1973, 365 and 375.
\textsuperscript{43} Lettich (2003, 290).
\textsuperscript{44} CIL IX 4680.
epitaph with L. Arlenus Demetrius, also a negotiator sagarius.\textsuperscript{45} Some chose to mention multiple areas of expertise such as C. Clodius Euphemus, who was a negotiator penoris et vinorum on the Velabrum in Rome,\textsuperscript{46} while many inscriptions referring to someone as a negotiator or mercator make no mention of a specialty. Although Erdkamp claims that the “grain trade was seldom a specialized business,”\textsuperscript{47} it is not clear how much confidence we can place in such generalizing claims and, of course, funerary inscriptions represent only a tiny fraction of traders. It is possible that many traders simply neglected to have their specialties listed on their tombs. Given the great variety of goods circulating in and beyond the Empire, it is also likely that many specialists occasionally dabbled in other types of merchandise when the right opportunity arose.

Although traders could become quite wealthy, there is general agreement that the average trader’s net worth was quite modest. Friesen’s Poverty Scale places most traders and merchants in PS6, designated as “at subsistence level.”\textsuperscript{48} His model locates many traders in PS5, “stable near subsistence level,” but only a few achieved PS4, “moderate surplus resources,” or PS3, the municipal elites.\textsuperscript{49} Given the capital necessary to pay for merchandise, storage, and transportation, traders are likely to have relied heavily on credit. Ships could be quite expensive and long-distance traders did not necessarily own their own ships nor were the owners and operators of merchant vessels necessarily traders themselves. The Lex Claudia of 218 BCE, apparently intended to limit senatorial involvement in commerce, shows that, as early as the third century BCE, senators might own ships (Livy 21.63) but it would be well beneath their dignity to personally engage in commerce. Consequently, trading was not a high status occupation. Cicero calls small-scale trade sordid and is only willing to praise large-scale traders if they abandon the profession for agriculture (Off. 1.150). Nevertheless, it seems clear that senators and equestrians financed trade. Plutarch (Cat. Mai. 21.5-6) reports that Cato the Elder developed an elaborate scheme to profit safely from loans made to those engaged in maritime commerce.

\textsuperscript{45} CIL VI 9675.
\textsuperscript{46} CIL VI 9671.
\textsuperscript{47} Erdkamp (2005, 106).
\textsuperscript{48} Friesen (2004, 341).
\textsuperscript{49} See also Longenecker (2010). It should be cautioned that both Friesen and Longenecker are primarily concerned with poverty rather than the economic status of merchants and traders. However, Bang (2010, 95) agrees that traders were typically “men of modest substance.” See also: Rauh (2003, 135-6) and Morley (2007, 88).
Other direct evidence for senatorial and equestrian investment is scarce but the elite certainly made use of their slaves, freedmen, and clients to profit from trade.\(^5\)

If short-distance trade might occur without specialist intermediaries between producers and consumers, long-distance trade was considerably more complicated. A trader moving goods from one region to another could require a wide variety of services. He might need the help of financiers or bankers to purchase the goods he intended to sell elsewhere; he might have to hire mule drivers, porters, or other kinds of land transport to get the merchandise to a port, the services of other porters there to transfer the goods onto a river boat, and later others to transfer them again onto a seagoing vessel. The same process might be necessary in reverse to get the merchandise to its final destination, e.g., up a river like the Tiber that was not navigable by large ships. Along the way, the trader might have to deal with \textit{praecones} (auctioneers), \textit{navicularii} (shipowners), \textit{magistri navium} (ship captains), \textit{gubernatores} (pilots), \textit{saburrarii} (people who supplied ballast to ships), \textit{naupegi} (shipwrights or carpenters), operators of tugboats and barges, \textit{urinatores} (divers, if goods were lost due to shipwreck or jettisoned during a storm), \textit{custodes} (guards), \textit{publicani} (toll collectors) and their \textit{scrutatores} (examiners),\(^5\) \textit{interpretes} (translators or negotiators), and magistrates overseeing local markets as well as the personnel of storehouses, inns, taverns, and probably brothels too from time to time.\(^5\) Money was essential if such voyages were to take place, and traders probably tended not to carry much coinage with them,\(^5\) so bankers and credit had to be available. Rathbone and Temin estimate there were at least a thousand banks in Italy in the first century CE although most of them would have been quite small.\(^5\) Bang argues that Cicero (\textit{Verr. II} 5.167) "implies a general need for merchants to have people who could vouch for them in

\(^5\) Andreau (1995, 309) suggests that the government and aristocrats supported Roman traders financially while, slightly more cautiously, Rauh (1993, 244-5) notes that, “Roman senators possibly engaged in business through their slaves, freedmen, friends, or relatives.” However, Morley (2007, 5) claims there is an “absence of clear evidence for the involvement of any senatorial families in commerce.” See also: D’Arms (1977), (1980), and (1981); Gabba (1980).

\(^5\) van Tilburg (2012).

\(^5\) See, e.g., Rauh et al. (2008).

\(^5\) Parker (1992, 30).

foreign harbours," no doubt in order to secure credit.\textsuperscript{55} Verboven draws attention to the *proxenetae* who were available in large cities to help traders facilitate transactions and contracts.\textsuperscript{56} Maritime loans, whose interest rates were unregulated, provided a kind of insurance for the trader since the loan need not be paid back in the event the cargo was lost due to shipwreck. However, the terms of such a loan might diminish the trader's autonomy. Scaevola (Dig. 45.1.122.1) describes the following hypothetical situation involving a maritime loan for trade. Stichus, a slave of Seius, lends money to Callimachus at Berytus in Syria. The security for the loan, by *pignus* and *hypotheca*, is the cargo purchased in Berytus to be shipped to Brundisium as well as the goods purchased at Brundisium to be shipped back to Berytus. Callimachus was required either to set sail from Brundisium back to Berytus by a particular date or to repay the entire loan at that point as well as the expense involved in transferring that money to Rome. The same passage indicates that the creditor could send a slave to accompany the trader and his merchandise and that this slave might have authorization to amend the terms of the original loan agreement. While traders probably relied on local bankers for cash and credit, the bankers may well have made use of the traders to arrange long-distance transfers of funds (*permutationes*) since banks tended to be local in character, lacking branches in other cities.\textsuperscript{57} If traders did carry money, they might have to make use of *nummularii* (moneychangers) to convert foreign coins into locally acceptable specie, gold coins into silver and bronze or vice versa.

To help traders navigate (both literally and figuratively) the expensive, complicated, and frequently dangerous tasks of buying, transporting, and selling goods, there existed physical as well as public and private institutional infrastructure. The physical infrastructure, not necessarily designed and built with traders in mind, included at least a hundred thousand miles of road,\textsuperscript{58} bridges, warehouses,\textsuperscript{59} marketplaces, ports, and associated structures. Their quantity and quality varied around the Empire. The port facilities at Caesarea Maritima, for example,

\textsuperscript{55} Bang (2007, 29 n. 68).
\textsuperscript{56} Verboven (2008, 226).
\textsuperscript{58} Bekker-Nielsen (2012, 5852).
\textsuperscript{59} Sometimes *mercatores* stored their goods at home (Dig. 33.7.12.43, 33.9.4.2).
included breakwaters, inner and outer basins, quays, warehouses, and a
lighthouse while others might simply consist of a sandy beach.\(^{60}\) Ports
could feature *stationes* ("offices") for merchants and shippers, although
their precise functions remain unclear.\(^{61}\) Markets had specialized
structures in which to conduct business, such as *basilicae* or
*chrematisteria*,\(^{62}\) and shrines "where the gods witnessed the oaths used to
bind contractual agreements."\(^{63}\) The public institutional infrastructure
consisted of Roman and local law, the officials who implemented that
law, and the forces who (ideally) protected traders and their property
from thieves, bandits, and pirates. The spread of Roman legal institutions
undoubtedly facilitated trade but local legal systems persisted under the
Empire, no doubt making a trader's rights and responsibilities ambiguous
or at least complicated in some regions.\(^{64}\)

Our sources do not inspire much confidence in the competence
or benevolence of Roman officials with respect to merchants and markets.
Pythias, the admittedly fictional *aedile* in Apuleius' *Metamorphoses*, is
utterly ineffectual when he discovers that a fishmonger has overcharged
Lucius for his dinner: he has the fish destroyed and neglects to get even a
refund for his friend (*Met.* 1.24-25). Less amusing is the behavior of
Verres who, according to Cicero (*Verr.* II 5.146-7), executed Roman
merchants in Sicily in order to steal their goods. It is not especially
surprising that most of the three hundred Roman merchants and
moneylenders in Utica, whom Cato the Younger tried to rally to the
Republican cause in 46 BCE, instead plotted to seize the senators based
there (*Plutarch, Cat. Min.* 59-61). Some officials must have treated
merchants fairly—Cicero (*Planc.* 64) boasts that during his Sicilian
quaestorship he was just to the *mercatores* and courteous to the
*negotiatores*—but, as we shall see later, the Romans were consumer
oriented and the interests of traders were seldom at the forefront of the
minds of their officials.

What of the protective services provided by the Roman
government? The Romans occasionally attempted to suppress piracy, as
the campaigns of Cn. Fulvius Centumalus and A. Postumius Albinus
against the Illyrians in 229 BCE, of M. Antonius against Cilician pirates

\(^{62}\) Kiese (2005, 155).
\(^{63}\) Rauh (1993, 339).
\(^{64}\) Johnston (1999, 11); Bang (2009, 183-190); Riggsby (2010, 221).
in 102 BCE, and the broader anti-piracy mandates of M. Antonius Creticus in the late 70s BCE and Pompey the Great in 67 BCE show. Creticus’ campaign ended in disaster and De Souza argues that even Pompey’s monumental efforts “did little to reduce piracy.”66 Under the empire, the situation may have improved somewhat.67 On land, brigandage was frequently a threat though, again, the state occasionally attempted to suppress it.67

Aside from the banks, the most important institutions facilitating trade (i.e., lowering transaction costs) were probably the private organizations and networks to which traders could belong. These included collegia, corpora, sodalicia, and societates as well as familiae, and amici. Many types of professionals formed collegia and some of them were involved in trade. In the late Republic, we have evidence for a collegium mercatorum at Capua and a collegium mercatorum pecuariorum at Praeneste.68 Under the Empire we find the collegium vinariaurum and the corpus splendidissimum importantium et negotiantium vinariaurum at Ostia.69 Influenced by Finley,70 scholars have frequently stressed the social and religious purposes of these associations but recent work has pointed out that collegia could provide their members with valuable information, contacts, and probably access to capital.71 The same considerations hold true for sodalicia (“fellowships”). Rauh has convincingly argued that religious associations, such as the sodalicia he studied on Delos, may have used “joint voluntary fund-raising efforts, as a means to raise ‘start up’ capital for commercial ventures.”72 Access to eranos loans perhaps gave members of these

65 De Souza (2012b, 5330).
66 De Souza (2012b, 5330) argues that the early emperors “effectively restricted piracy to the margins of the Roman Empire” but Morley (2007, 18) suggests it “remained a problem throughout antiquity.”
67 For example, Plutarch reports (Marius 6) that Marius while governor of Further Spain rid the territory of bandits.
68 ILS 7274 = CIL I² 672 = X 3773; CIL XIV 2878 = ILLRP 106.
69 AE 1940, 66; and AE 1955, 165. There was also a corpus negotiatorum fori vinarii (AE 1974, 123a) and corpus mercatorum frumentariorum (CIL XIV 161) at Ostia. Corpus is apparently just another term for collegium (Liu 2009, 135). See also: de Salvo (1992, 237-40).
70 Finley 1985, 138 declared that the “collegia played an important part in the social and religious life of the lower classes... [but] never became regulatory or protective agencies in their respective trades.”
organizations "considerable financial advantages." 73 Although the members of many professions formed collegia, it is unclear how common merchant associations were and it is possible that only the more affluent traders were able to join them. 74

Societates were partnerships that might be explicitly for the purpose of trade. The partnership created by Cato the Elder (Plutarch, Cat. Mai, 21) suggests that they could be both large and profitable, but Malmendier cautions that societas "never evolved into a general framework suitable for business entities that require more permanence and stability." 75 Morley suggests that these kinds of partnerships were "relatively uncommon" 76 and Bang argues that Roman businesses were usually "organized on the basis of the household." 77 Certainly, familiae and ties of amicitia created networks that Romans could exploit in the interest of trading. Kirschenbaum shows how, particularly by means of the institution of peculium, "in overseas commerce and inland trade, freedmen, slaves and, to a lesser degree, sons acted as agents of their patrons, masters and fathers, respectively." 78 With respect to amicitia, Verboven has explored its role in late Republican trade, showing how wealthy Romans "organized their patrimonies... by means of their extensive personal networks and their 'friendships' with important negotiatores and faeneratores." 79 Traders themselves could, of course, take advantage of ties of friendship and patronage relationships to gain protection, financing, or advantageous commercial information.

In addition to the financial and organizational parameters of Roman trade, we must also consider the technological and environmental constraints. Transportation is the crucial issue here. A wide range of merchant vessels plied the Mediterranean and, while some were quite large, occasionally more than six hundred tons in capacity, most were relatively small, under a hundred tons. 80 Usually powered by sails, these ships were capable of 4 to 6 knots, depending on conditions, 81 and could

73 Rauh (1993, 269).
74 Morley (2007, 42-3).
75 Malmendier (2012, 6305).
76 Morley (2007, 75).
77 Bang (2010, 95).
78 Kirschenbaum (1987, 152).
81 Davis (2012, 4714).
travel abeam or even against the wind. High-sided merchant ships could handle rougher seas than a warship. The introduction of chain pumps in the first century BCE (one of many innovations in shipbuilding of the Roman period) may have improved overall safety, lowering the frequency of shipwreck, or merely prompted sailors to take even greater risks. Sailing was always dangerous. Pliny warns of ships colliding in the night (HN 2.128) and pirates remained a threat even under the Empire. Furthermore, the lack of nautical charts and the inability to determine longitude could make navigation quite a challenge. The volume of shipping slowed down during the stormier winter months (November to March) but certainly did not stop altogether. Shipping on rivers and canals might have been somewhat safer but posed its own set of challenges and constraints. Although land transport was more expensive than shipping by sea, many goods nevertheless moved along the roads at least short and medium distances. With respect to harnessed transport, Raepsaet has shown that ancient yoke technology was well suited to the morphology of donkeys, mules, and oxen (the main non-human sources of motive power), and even argues that the efficiency of land transportation “reached a very exceptional peak during the Roman Empire, in terms of both public administration and private use.” As Strabo (5.3.8) famously remarked, Roman roads carried boatloads. However, by land or sea, travel was not especially fast and so information also moved slowly, making it difficult for traders to respond quickly to changing market conditions.

A catalogue of the goods traded in the Empire would be vast, requiring at least several large volumes to enumerate and analyze everything Pliny the Elder mentions in his Natural History. Instead, I will briefly consider the major items of trade (grain, wine, and olive oil)

82 Arnaud (2011, 147ff.).
83 Davis (2012, 4714).
84 Harris (2009, 260); (2011, 13).
85 In the early third century CE Paul (Digest 14.2.2.3) relayed from earlier jurists the (apparently still pertinent) information that all passengers had to contribute if it became necessary to ransom a ship from pirates.
86 Davis (2012, 4714).
87 Bang (2010, 94); Marzano (2011); Pliny HN 2.47.125.
88 Cooper (2011, 206).
91 Bang (2010, 94).
and then a selection of other products of differing value and importance in order to provide a general sense of the nature of the Roman market.

As they were the staples of the Mediterranean diet, it is fairly certain that grain, wine, and olive oil formed the bulk of the goods transported over long distances. Through the collection of in-kind taxes and the provision of armies and the city of Rome, the state was heavily involved (as a buyer and seller) in the trade of these commodities, especially grain, by the late Republic. Under the Empire, the state’s role grew even larger, especially once the *annona* expanded to include wine, olive oil, and pork in the third century CE. With respect to grain, Erdkamp estimates that “public channels may have supplied the city with two thirds or more of its requirements,” with the state selling the excess grain, not distributed in the *frumentationes*, to traders and bakers. 92 Trade in some goods, like tableware, probably piggybacked on state grain shipments and other bulk cargoes. 93

Changes in the containers used to transport wine prevent us from forming a complete picture of its trade, but Italy clearly exported a considerable quantity of wine to Gaul in the late Republic. Tchernia notes that this seems to be “the only important trade movement exporting food products over large distances where the principal destination was not Rome or the armies.” 94 A vigorous wine trade seems to have continued under the empire, judging from Domitian’s abortive attempt to suppress wine production, but “our knowledge of the Roman wine trade disintegrates once clay amphorae began to be superseded by barrels as the main means of conveyance.” 95 As for olive oil, Monte Testaccio attests to Rome’s considerable demand for it in the late Republic and early Empire while the distribution of amphorae as well as the remains of kilns and presses in Iberia and North Africa suggest trade on a massive scale. 96

Beyond the Mediterranean triad a great variety of foodstuffs circulated within the Empire. Pliny the Elder reports that Vitellius imported Syrian figs to his Alban estate during the reign of Tiberius, and the Romans brought considerable numbers of figs and other produce into

92 Erdkamp (2005, 257).
93 Greene (1992, 58-60).
95 Greene (2000, 48).
96 Mattingly (1996); Hitchner (2002).
Central Europe.\textsuperscript{97} Dates may not have been traded extensively over long distances since Pliny notes that those grown in Africa, Syria, and Cyprus did not keep well (\textit{HN} 13.6.26 and 13.9.49). The almonds of Thasos and Alba were famous (\textit{HN} 15.90), as were the chestnuts of Tarentum and Naples (\textit{HN} 5.94). Given its use as a sweetener, preservative for food and dead bodies,\textsuperscript{98} and component of drugs (\textit{HN} 21.79), there must have been a sizeable trade in honey. Varro (\textit{Rust.} 3.16.10) records the story of the Veiani brothers of Falerii who earned at least HS 10,000 a year from the honey produced on their small estate. \textit{Garum} clearly served Umbricius Scaurus well judging from his mosaics,\textsuperscript{99} and salted fish and fish sauces were traded throughout the Empire.\textsuperscript{100} Pliny even reports that oysters from Brundisium were fattened in Lake Avernus (\textit{HN} 32.61). Some cheeses traveled \textit{trans maria} to reach their consumers according to Columella (7.8) who advised owners of livestock, living too far away from markets to sell their milk in them, to make their own cheese. This could imply that it was common practice, even for those with milk-producing livestock, to purchase cheese from other producers.

Since pork was the most common meat in the Roman diet,\textsuperscript{101} there must have been a considerable trade in pigs. Pliny claims that some pigs, the \textit{duces}, were smart enough to lead their herds between home and the market (Pliny \textit{HN} 8.208). Both Varro (\textit{Rust.} 3.9.2) and Columella (\textit{Rust.} 8.2.4) call attention to the profits earned by Delian poultry farmers, while Varro also notes that the popularity of African hens in his own day had driven up their prices (\textit{Rust.} 3.9.19). Geese traveled by foot from Gaul to Rome and German goose feathers, for bedding, were the most highly praised (\textit{HN} 10.27.53). There was even trade in pigeons (as pets); the Roman \textit{eques} L. Axius was asking 400 \textit{denarii} for a pair in the late Republic (\textit{HN} 10.53.110). Even more impressively, in the same period M. Aufidius Lurco reportedly earned HS 60,000 profit from the sale of fattened peacocks (Pliny \textit{HN} 10.23.45).

Textiles and associated products probably contributed substantially to the volume of trade.\textsuperscript{102} Roman clothes may have been

\textsuperscript{97} Bakels and Jacomet (2003).
\textsuperscript{98} Lindsay (2000, 158).
\textsuperscript{100} Bekker-Nielsen (2005, 14).
\textsuperscript{101} MacKinnon (2012, 4372).
\textsuperscript{102} As Jongman (2000, 188) points out, “A look at pre-industrial consumer budgets shows that, after food (by far the most important) and housing, clothing is the third large item of expenditure.” See also: Hopkins (1988, 764).
relatively simple,\textsuperscript{103} but there was still demand for high quality fabrics as well as dyes and the chemicals necessary to clean them. Wool was always available in Italy but silk, by the late Republic or reign of Augustus, was arriving all the way from China.\textsuperscript{104} The island of Cos also produced a kind of silk fabric and Pliny disapprovingly notes that even men were willing to wear this light material (HN 11.26.77-8). Linen, used for ropes, sails, and tents in addition to clothing, came from Spain, the Po Valley, and the eastern Mediterranean. However, Wild points out that “flax was a regular component of mixed farming regimes,” so many rural areas could have supplied their own needs and perhaps even met local urban demand.\textsuperscript{105} Urine for fulling was, of course, always available locally, but substances like Sarda, used to brighten white cloth, had to be imported to Rome from Sardinia or Umbria (Pliny HN 35.196-7). Sulfur, from Campania and various islands, also had a role in fulling in addition to its medicinal and religious uses (HN 35.50.175). The purple dye extracted from shellfish in Phoenicia and Crete was only the most famous of the substances used to color textiles. The Gauls, for example, used whortleberry to dye the clothes of slaves (HN 16.31.77). Other dyes included woad, indigo, madder, kermes, weld, and saffron. Goat skins and cattle hides would, in most places, have been available locally but there is evidence for the long distance trade in leather. There was a corpus pellionum ostiensium et portensium and, according to Pliny the Elder, a shipwrecked cargo of hides from Gaul once attracted a killer whale to the port at Ostia during the reign of Claudius (HN 9.5.14). The demand for leather goods must have been enormous. The army used it for boots, tents, bags, harnesses, and other equipment while the desire for fashionable footwear, van Driel-Murray suggests, even “drew rural communities into marketing networks.”\textsuperscript{106}

The trade in aromatics was also quite substantial, even if, as Pliny claims (HN 12.41.84), it accounted for only a fraction of the HS 100 million which Arabia, along with India and China, took from the Empire every year.\textsuperscript{107} Frankincense traveled from south Arabia, by camel and ship, to Alexandria, where it was processed under heavy guard before being distributed for sale throughout the Empire (HN 12.32.59).

\textsuperscript{103} Cleland (2012, 1589).
\textsuperscript{104} Wild (2008, 469).
\textsuperscript{105} Wild (2008, 468).
\textsuperscript{106} Van Driel-Murray (2008, 492).
\textsuperscript{107} Pliny HN 6.26.101 states India alone took at least HS 50 million per year.
Pliny the Elder gives transport costs of 688 denarii per camel to get to the Mediterranean, not including Roman customs payments \textit{(HN 12.32.63-65)}. Under the Empire, Capua became a major center for the sale and processing of aromatics and the production of perfumes.\footnote{Young (2001, 23).} Many regions both within and outside the Empire contributed to the aromatics trade. \textit{Rhodinum}, once a popular ingredient in perfumes, came from Phaselis \textit{(HN 13.5)}, while Egypt provided \textit{aspalathus}, a plant whose roots were used in unguents \textit{(HN 12.52.110)}. Galbanum, burnt to drive away snakes, came from Syria while Gaul, Crete, Syria, and India all produced varieties of nard \textit{(HN 12.26.43-6)}. For some of these commodities Pliny provides a single price. Galbanum, for example, went for 5 denarii a pound. For others we get a set of prices for various grades. The third best kind of frankincense cost 3 denarii per pound. The implication seems to be that these prices were quite stable. By contrast, myrrh prices varied considerably, from 3 to 50 denarii per pound, depending on demand.\footnote{Pliny, \textit{HN} 12.35.70: \textit{ex occasione ementium}.} Consumer tastes changed over time, with different perfumes coming into and out of fashion (Pliny \textit{HN} 13.4), as also happened with dyes \textit{(HN 9.137)}. Creative merchants were able to talk up the price of their merchandise with, in the case of cassia, tales of menacing bats and flying snakes guarding the plants \textit{(HN 12.42.85)}. Given the important role of incense in Roman funeral rites, it is likely that merchants took advantage of inexperienced and distracted customers in much the same way that Jessica Mitford described twentieth century American funeral directors manipulating grief-stricken relatives into paying for goods and services they did not really need.\footnote{Mitford (1963, 18): “choice doesn’t enter into the picture for the average individual, faced, generally for the first time, with the necessity of buying a product of which he is totally ignorant, at a moment when he is least in a position to quibble.”} Pliny seems to indicate that product adulteration was widespread in the aromatics trade (e.g., \textit{HN} 12.35.71).\footnote{For further discussion of adulteration as well as the production and distribution of perfume more generally, see Reger (2005) and (2011).}

Wood, essential for buildings, ships, furniture, tools, and also used for fuel, was another major item of trade. By the early second century BCE the area outside the \textit{Porta Trigemina} seems to have been associated with the timber trade (Livy 35.40). Much of this trade was probably short distance, but there was long-distance commerce, for
example, in the expensive citrus wood that the Romans imported from Mauretania (HN 13.95). Wood samples from Pompeii and Herculanum suggest that the inhabitants imported timber from western Austria as well as the Apennines. Wherever there were kilns, baths, and furnaces for metalworking, there would be demand for charcoal (e.g., HN 16.23). Charcoal made from different types of trees had useful properties or annoying deficiencies. For example, haliphloeos, or “seabark” (a kind of oak), was deemed unsuitable for sacrifices (HN 16.8.24). There was probably long distance trade in “specialty” charcoal.

Even if the major commodities thus far mentioned (grain, wine, and oil) constitute the largest share, at least by weight, of the goods traded over any distance, a thousand other products moved between and beyond the provinces and cities of the Empire. Amber came from the Baltic coast while ebony came from India. Varro reports that the farmers of Latium grew flowers to sell at Rome (Rust. 1.16.3) while Cato recommended purchasing millstones at Pompeii (Ag. 22.3). Many regions exported paints and pigments (e.g., HN 35.18.36, 27.46). Papyrus, primarily from Egypt, provided a writing medium but also wrapping paper and a kind of rope among other products (HN 13.23.76-7). A shortage of charta under Tiberius led the Senate to appoint arbitri to handle the distribution of remaining supplies. Wherever people kept bees, there would be commerce in wax since it served several important functions: coating for writing tablets as well as general waterproofing, medium for seal impressions and metal casting, and ingredient in cosmetics and medicines (HN 21.49.83-5). While scholars will no doubt continue to debate the degree of market integration within the Empire, there can be no question that Roman trade linked together, at least loosely, communities, cities and their hinterlands, as well as Rome and the other major metropolises with the provinces and the broader world.

Given the complex and expensive trading environment, how could traders be successful? There was no one grand strategy. Instead, available capital, market conditions, and specialized knowledge (of particular products or markets) would dictate the trader’s approach. It

112 Harris (2011, 187).
114 Pliny, HN 13.27.89.
115 In addition to goods, slaves were similarly traded although there were also local supplies. Harris (1980) and (1999); Bradley (1987); and Scheidel (1997).
certainly made sense to cultivate friendships as they could yield valuable
information and ease credit.\textsuperscript{116} Investing in a variety of merchandise and,
if possible, transporting that merchandise on a variety of vessels, were
good ways to manage risk.\textsuperscript{117} Adequate storage would allow traders to
hoard and speculate in goods.\textsuperscript{118} Scholars frequently suggest that many
merchants engaged in cabotage,\textsuperscript{119} small-scale, coastal trade in a variety
of goods, but even this form of commerce required considerable
advanced planning to take account of seasonal winds, harvest times and
important festivals.\textsuperscript{120} To sell goods, traders would gravitate toward the
bigger markets, such as Rome, free ports like Delos, nundinae and
festivals, where they could count on plenty of buyers, high prices, or
even the temporary suspension of tolls (e.g., Mon. Eph. 128-33). The
state provided many opportunities: to deliver grain to Rome in exchange
for exemptions, supply various goods to armies, buy booty cheaply from
soldiers, or sell them necessities.\textsuperscript{121} To what extent, though, did traders
need to consider the strategies of rival merchants?

COMPETITION?

Economic competition has rarely received the attention it deserves
among ancient historians.\textsuperscript{122} As long as the ideas of primitivists and
substantivists held sway, this situation was hardly surprising. As
Andreu noted, “Finley was convinced” that the ancient economy was
not a market economy “and therefore denied that ancient commerce and
its evolution could be studied according to ideas such as competition or
the law of supply and demand.”\textsuperscript{123} If, however, the Romans possessed a
market economy, competition becomes by definition a pivotal issue.\textsuperscript{124} In
a market economy scarce resources are rationed by means of prices as
buyers and sellers compete for wealth. Supply and demand, along with
the cost of production, determine these prices. Competition is the

\textsuperscript{116} Bang (2012).
\textsuperscript{117} Bang (2010, 95-6).
\textsuperscript{118} Garnsey (1988, 176).
\textsuperscript{119} E.g., Horden and Purcell (2000, 140).
\textsuperscript{120} Marzano (2011, 186).
\textsuperscript{121} For army supply, see Roth (1999).
\textsuperscript{122} Archaeologists have shown much more interest. See, for example, Bradley (1971, 347-
352), Greene (1986, 162-3), and Peacock and Williams (1986, 25-26).
\textsuperscript{123} Andreau (2002, 36).
\textsuperscript{124} Temin (2001, 181). See also Harris (1993, 14-18).
“invisible hand.” Buyers compete with each other for goods, bidding up the price of products. The winners are those able to purchase the products they need. Sellers compete with other sellers to produce or deliver goods and services to consumers. The winners make a profit and the losers go out of business. What evidence, then, exists for competition among Roman traders?

The two basic forms of economic competition are consumer competition and entrepreneurial rivalry. Consumer competition or rivalry among buyers is most evident at auctions, a typical feature of Roman economic life, where everything from real estate to olives on the tree was sold.\footnote{See, e.g., Cato, Agr. 146; Cic., Caecina 15, Att. 13.45.3; and Rauh (1989, 451-71).} Entrepreneurial rivalry, on the other hand, occurs when producers, merchants or firms compete with each other for buyers. Such competition often hinges on the price of the goods being sold but can also entail such issues as “product quality, producer reliability, convenience, location or service.”\footnote{Gwartney and Stroup (1995, 551).} In the modern world, where cell phone, car, and soft-drink manufacturers regularly compete for market share, advertising tends to emphasize these factors as much as price. It is difficult, however, to detect this kind of competition in the Roman world. When different versions of the same product are compared, it is usually the point of origin rather than the producer that gets emphasized. So, for example, when Cato the Elder discusses farm equipment (Agr. 135), he notes the best city in which to buy particular items but only once singles out particular producers, the rope makers L. Tunnius and C. Mennius.

The papyrus trade provides a partial exception to this tendency. *Amphitheatrica*, named after its place of production, was the fourth best type of paper (*charta*) on the market while *Saitica*, from the town of Sais, was fifth. At some point the Roman workshop of a certain Fannius developed a process that greatly improved *amphitheatrica* such that the resulting *Fanniana* rivaled the best quality *chartae* (*Augusta, Liviana*, and *hieratica*).\footnote{Pliny, *HN* 13.24.74-5.} Later on, the emperor Claudius had *Augusta* adapted, making it stronger and less transparent, as well as changing its dimensions, with the result that once again it became the clear favorite for most purposes (*HN* 13.24.79-80). *GARUM* may be another example of a product entailing significant differences between producers: the *tituli picti* on fish sauce containers could indicate that *garum* “brands”
mattered to Roman consumers.\textsuperscript{128} Other signs of Roman entrepreneurial competition are surprisingly hard to come by. Cicero (\textit{Att.} 1.17) reports that in the late 60s BCE the \textit{publicani} who purchased the right to collect taxes in Asia found that they had overbid and asked the senate for relief. This implies competition between tax farming companies but it is essentially consumer competition for the right to purchase a monopoly. Did any other kinds of entrepreneurial competition occur in the marketplace? In the absence of any clear and compelling examples of this type of behavior, it is necessary to ask how Roman authors conceive of commercial activity in general. Three anecdotes about Roman entrepreneurialism suggest that rivalry among traders did not form a substantial part of the Roman view of commercial life. In each case, one would expect to find some reference to economic rivalry but none appears.\textsuperscript{129}

One of the most well known anecdotes about Roman entrepreneurialism concerns Cato the Elder. According to Plutarch (\textit{Cat. Mai.} 21.6), not only did Cato make high-interest maritime loans but he formed his many borrowers into a company (\textit{νουνονία}) in which he held a share. By sending his freedman, Quintio, along on the trading voyages, Cato seems to have maintained a high degree of oversight as well. Cato made money by reducing his financial risk, also spreading his investment among a large group of ship-owners. If Cato was trying to achieve economies of scale or dominate the shipping industry, we do not hear about it. There is no mention of rivals. Profit came through being able to reduce the impact of natural disaster, i.e., shipwreck. Plutarch (\textit{Cat. Mai.} 21.5) makes Cato's strategy abundantly clear:

Engaging in business very intensely, he considered agriculture to be a pastime rather than a source of profit and invested his resources in safe and reliable enterprises. He acquired ponds, hot springs, fulleries, pitch works, land with natural pastures and woods, places which earned him lots of money but were, as he himself says, strong enough not to be damaged by Zeus.

\textsuperscript{128} See Curtis (1991, 159ff.).
\textsuperscript{129} Note that I do not mean to suggest that Roman markets were \textit{peaceful} places. There are other forms of rivalry aside from that between traders such as haggling (i.e., competition between vendor and buyer to determine price).
Cato was not worried about the competition; he was worried about bad luck.

A story about goats in Varro (Rust. 2.3.10) reveals a similar understanding of Roman commerce. The *eques* Gaberius had learned that a goatherd earned ten *denarii* a day by bringing his ten nanny goats into the city. Hoping to earn a thousand *denarii* a day from his large estate near Rome, Gaberius assembled a herd of a thousand goats. Gaberius’ scheme failed but what went wrong? Several possible explanations would no doubt occur to an economist. He or she might speculate that there was insufficient demand for goat milk and the increased supply created by Gaberius’ giant herd caused milk prices to drop dramatically. Or perhaps more established goat milk merchants, threatened by Gaberius’ large enterprise, drove him out of business by undercutting his prices. Someone who had recently read Finley’s *The Ancient Economy* would no doubt suppose that goat milk transactions were embedded in Roman social relations and so customers stayed with Gaberius’ rivals because of their pre-existing relationships. But, of course, what actually happened was that disease wiped out Gaberius’ entire herd. Again, the lesson is that profit comes to those who reduce risk. If Gaberius had 20 herds of 50 goats (the recommended maximum herd size), Varro seems to suggest, he could have made his 1000 *denarii* a day. As long as you can deliver your product to market, you will make money.

Delivery is also the central problem in the third entrepreneurial anecdote. Petronius (*Sat. 76*) has Trimalchio describe his rise to great wealth as follows:

I built five ships and loaded them with wine – at that time it was worth its weight in gold – and sent them to Rome. You’d think I’d ordered it: all the ships sunk. True story! In one day Neptune swallowed up thirty million *sestertii*. Do you think I lost my nerve? No, by Hercules, this mishap was nothing to me. I built other ships, bigger, better, and luckier ones so nobody could say I wasn’t a brave man... I loaded them with more wine, bacon, beans, Sepiasian unguents, and slaves. What the gods will soon happens. In one trip I made back ten million *sestertii*. 

161
Initially Trimalchio fails because of bad luck. Neptune drank all his wine. A number of reasons are given for his ultimate success: persistence, bravery and self-sacrifice (his wife sells her jewelry and clothes to help finance the second trip). Trimalchio’s new ships are bigger, better but most importantly *feliciores*. There is no mention of competitors bested. Trimalchio succeeds because Mercury, god of merchants, watches over him.\(^{130}\)

Why is it that Plutarch, Varro and Petronius never discuss economic competition? The obvious explanation is that while competition did take place between Roman entrepreneurs, our upper-class sources were reluctant to discuss such disreputable behavior. Since such competition must have entailed trickery and deception, it would be decidedly vulgar.\(^{131}\) Indeed, this might explain Varro’s behavior. In book 1 of the *Rerum Rusticarum*, a murder conveniently interrupts the dialogue just as it turned to the question of marketing the produce of the villa. But Plutarch and Petronius both clearly disapprove of their subjects so there would be no reason for them to hold back on this point. Perhaps, then, these authors did not discuss entrepreneurial rivalry because there was little such behavior for them to observe. But how can a market economy lack entrepreneurial rivalry? There are three possible explanations. First, the government might suppress such competition through market regulations, the creation of artificial monopolies, the oversight of magistrates, and similar measures. Secondly, *collegia* could stifle competition by creating entrance barriers, restricting access to the market and regulating the behavior of their members. Thirdly, the nature of the market itself may have limited entrepreneurial rivalry. All three factors probably played a role in the Roman economy.

As far as government suppression of competition is concerned, laws regulating prices are attested, though there are few examples from the late Republic or early Empire.\(^{132}\) Magistrates such as the *aediles* at Rome and *agoranomoi* in Greek cities were responsible for the care of the market, but what did such officials actually do to suppress

---

\(^{130}\) Trimalchio’s close relationship with Mercury is mentioned three times: *Sat.* 29, 67 & 77.


\(^{132}\) Diocletian’s Price Edict is the most famous example. Laws occasionally attempted to limit interest rates, and we know of some local attempts to regulate prices. See, e.g., Liebeschuetz (1972, 130-2); Harl (1996, 277); Aubert (2004, 165 and 169); Zanda (2011, 126).
entrepreneurial rivalry? They certainly played a role in preventing fraud through, for example, making sure there were accurate weights and measures. They might require a merchant to declare a price and abide by it in the market but they rarely mandated prices. In acting against grain-dealers who were hoarding grain, the aediles seem to have acted like trustbusters, forcing such dealers to compete rather than cooperate. The lex Iulia de annona (Dig. 48.12) penalized those who attempted to form societates in order to raise the price of grain. Roman law adapted only gradually to the needs of businessmen and thus, it might be argued, promoted competition by hampering the formation of large and complex firms capable of dominating markets. The use of auctions also must have encouraged competition. Sumptuary laws, by suppressing (or at least trying to suppress) consumer demand for luxuries, would presumably increase competition among the suppliers of such goods.

Only in one instance does a Roman law seem specifically designed to stifle a kind of entrepreneurial competition. Cicero (Rep. 3.16) reports that the Romans forbade the Gauls to grow olives and grapes in order to increase the value of their own olive groves and vineyards. An edict of Domitian, which sought to halt the growth of viticulture in Italy and halve the amount of provincial land devoted to vineyards, would also have limited competition had it been implemented. According to Suetonius (Dom. 7.2), the high price of grain, rather than any desire to suppress competition, prompted the measure. Imperial ownership (and regulation) of many mines and quarries may have limited rivalry in the private metal and building stone trade by confining competition to the auctions at which the right to exploit these resources were sold. State-managed monopolies would

---

133 See Desco (2000, 16-24).
134 Livy, 38.35.5.
135 See Nicolas (1962, 185); Garnsey and Saller (1987, 54-55); and Aubert (2001, 94).
136 Sulla’s sumptuary laws regulated market prices, but most apparently sought to limit social competition e.g., by capping expenditure or the number of guests permitted at banquets. See Macrobr., Sat. 3.17; Daube (1969, 124); Zanda (2011).
137 For a discussion of Cicero’s claim see Patterson 1978.
138 Suet., Dom. 7.2 and 14.2. Garnsey and Saller (1987, 60) point out that the edict’s context was “a shortfall in cereals that coincided with a bumper wine harvest” and that the “edict represents the impulsive reaction of an emperor who knew... the political dangers involved in permitting his subjects, in particular the plebs of Rome, to go hungry.” It is possible but not evident that Italian producers were suffering due to provincial competition (see Launaro 2011, 180).
139 Hirt (2010).
have had the same effect on the salt trade.\textsuperscript{140} Roman law governing patron-client relations also prevented competition. Scaevola (Dig. 38.1.45) implies that a freedman merchant could only engage in the same business as his patron if the latter was unharmed by it. Although the evidence is meager, collegia could act to limit competition too by keeping out unwanted rivals, limiting supplies or setting minimum prices. The salt-dealers in Tebtunis in the first century CE and ferrymen at Smyrna in the early Empire both set minimum prices and acted to keep out potential rivals.\textsuperscript{141} It remains unclear how common this type of behavior was.

While government and collegia had a role in suppressing competition in some sectors of the economy or for certain goods and services, the nature of the market itself can limit entrepreneurial rivalry when the conditions of “perfect competition” apply.\textsuperscript{142} Although in Classical economics competition simply meant rivalry between individuals, economists have come to recognize many different kinds of competition such as “monopolistic competition” and competition without rivalry, i.e., “perfect competition.” Though perfect competition is usually considered a hypothetical situation, economists have long held that “its conditions are approximated in a few important industries, most notably in many parts of agriculture.”\textsuperscript{143} Perfect competition precludes rivalry between buyers and sellers in the market in the sense that no individual buyer or seller can influence the “market outcome.”\textsuperscript{144} Gwartney and Stroup describe the necessary conditions of perfect competition as follows:

1. All firms in the market are producing a homogeneous product;
2. A large number of independent firms produce the product;

\textsuperscript{140} For regulation of the salt trade in the late 3\textsuperscript{rd} century BCE, see Livy, 29.37. For salt and gypsum monopolies around Tebtynis in the 1\textsuperscript{st} century CE, see P. Mich. V 245.
\textsuperscript{141} P. Mich V 245 and IK 24.1 712. See also OGIS 572 (2\textsuperscript{nd} or 3\textsuperscript{rd} century CE) for a ferry monopoly at Myra, Lycia. See P.Oxy. XLIV 3192 for a group of donkey dealers in 4\textsuperscript{th} century CE Oxyrhynchus.
\textsuperscript{142} The phrases “pure competition,” “absolute competition,” and even simply “competition” are sometimes used in the same sense. See Hunt (2000, 7-8); Gwartney and Stroup (1995, 530); Dillingham (1992, 101); and Ekelund (1997, 484).
\textsuperscript{143} Gwartney and Stroup (1995, 531).
\textsuperscript{144} Dillingham (1992, 101).
3. Each buyer and seller is small relative to the total market; and
4. There are no artificial barriers to entry into or exit from the market.\textsuperscript{145}

Under these conditions entrepreneurial rivalry makes no sense since an individual firm cannot affect prices. If you sell for less than the equilibrium market price, you lose money but are unable to lower the market price or force competitors either to lower their prices or to leave the market. If you raise your prices above the market price, no one will buy your product since there are plenty of other sellers. There would still, no doubt, be haggling in the marketplace—such negotiations were the “process of price formation”\textsuperscript{146}—but that is competition between buyer and seller rather than entrepreneurial rivalry.

With respect to the major agricultural goods traded in the Roman Empire, all of the conditions of perfect competition apply fairly well. Grain, wine and olive oil were all rather homogeneous products. There were as many “firms” as there were farmers and estate owners, and the size of both buyers and sellers relative to the market was small (in most cases). This does not apply to the state, of course, which had the resources to gather and transport large quantities of grain and was, at least in times of food crisis, willing to sell at artificially low prices. It is unclear, however, to what extent the Roman state participated in commodity markets. Finally, there is no indication that artificial barriers prevented new producers from entering these markets.

Perfect competition is by no means a new idea but only a handful of historians seem to have considered applying the concept to the ancient world. Whittaker briefly mentions perfect competition but seems to regard it a purely hypothetical situation.\textsuperscript{147} De Ligt employs the theory to good effect, suggesting that peasant markets produce a situation akin to perfect competition and so “depress[ed] market prices to the... benefit of the urban consumer.”\textsuperscript{148} Kudlien, who devoted an article to the topic of ancient economic competition, notes de Ligt’s reference to perfect

\textsuperscript{145} Gwartney and Stroup (1995, 530).
\textsuperscript{146} Uchendu (1967, 37).
\textsuperscript{147} Whittaker (1986, 131).
competition but comments only that he found it “ohne Erläuterung nicht sehr klar.”

There are several reasons why perfect competition is a good fit for some sectors of the Roman economy in the late Republic and early Empire. Perfect competition may explain why collegia did not (apparently) become guilds; since lack of demand or excess supply were seldom problems, the collegia would rarely need to limit competition. As Plutarch, Varro and Petronius imply, there was plenty of profit to go around, if only you could deliver your goods to market. Perfect competition may also help explain why the Romans apparently never developed a more sophisticated understanding of economic phenomena. They could not be expected to know about things they could not observe. Marketing may have seemed like the easiest part of managing a farm or estate.

*Ex silentio* arguments are, of course, rarely definitive. That Varro, Petronius and Plutarch failed to mention entrepreneurial competition does not prove its absence. It is, however, a suggestive omission. As Hopkins and others have pointed out, models are the most important tool ancient economic historians have at their disposal. Perfect competition provides an attractive model for some sectors of the Roman economy in the late Republic and early Empire. Entrepreneurial rivalry is more likely to have been a factor in the trade of processed and manufactured goods where there would be fewer producers and less homogeneous merchandise such as shoes, pottery, charta, metal tools, and furniture. But, if entrepreneurial rivalry was rare, the relationship between merchant and customer assumes even greater importance.

**BUSINESS ETHICS: YEARN FOR THE EMBEDDED ECONOMY?**

Midway through book three of the *De Officiis*, in an extended discussion of “expediency” (utilitas) versus “moral rectitude” (honestas), Cicero introduces the following hypothetical situation: a good man has imported a large quantity of grain from Alexandria to Rhodes at a time when Rhodes was experiencing a famine and food prices were very high. However, this merchant knows that many other ships full of grain are on the way from Alexandria. If the Rhodians knew about the other ships, the

---

150 Hopkins (1995/6, 41).
price of grain would drop and the merchant’s profit would be considerably less. Cicero asks whether the merchant should tell the Rhodians about the other ships (Off. 3.50). While the outcome of the ensuing discussion is fairly predictable (Cicero believes the merchant should reveal his information about the other ships), the discussion itself contains much of interest to economic historians since it entails several other scenarios involving transactions and “business ethics.” Cicero stages a debate about the merchant between the Stoic philosopher Diogenes the Babylonian and Antipater, his student (Off. 3.51). Antipater, standing in for Cicero himself, argues that the merchant should inform the Rhodian customers of the other ships while Diogenes argues that the merchant is only obligated to reveal his product’s defects to whatever extent that the law requires. As long as the merchant does not engage in trickery, he can sell his grain for the going market price without wronging anyone. Antipater responds that the merchant has an obligation to humanity that should compel him to mention the other ships. Diogenes counters by pointing out that there is a difference between concealing information and not revealing information. There is all sorts of useful information that Diogenes is not revealing at that very moment, such as the nature of the gods, and that information is much more important than the price of grain. He says he is not under any obligation to tell Antipater these things either (Off. 3.52). Antipater insists that he is obliged to reveal such information because of the joint fellowship among men. Diogenes then asks, if this fellowship is so important, why should there be any private property whatsoever (Off. 3.53)?

Just how far was a Roman’s obligation to fellow human beings supposed to go? At this point in his life Cicero had made his commitment to private property very clear in both his writings and actions. It would be nice to see how he reconciled private property with the strong obligation to help one’s fellow humans he asserts in this text. Unfortunately, Cicero does not attempt this. Instead, we get more hypothetical scenarios. While these scenarios are also supposed to illustrate the seller’s obligations, they are not truly analogous to the grain merchant’s dilemma. For example, Cicero asks if a man trying to sell his house should tell the buyer if the house is unsanitary or poorly built and ruinosa (Off. 3.54). Antipater once again says that the seller should

---

Inform the buyer of the defects. Diogenes argues against any obligation to report. Diogenes, who has already conceded that defects in a trade good should be declared to the extent that the law requires, says that the buyer is responsible for checking the merchandise himself. Essentially, this is the caveat emptor position. Diogenes adds that no one really expects advertisements to be truthful and then imagines the absurdity of an auctioneer announcing "dangerous house for sale!" Once again, Cicero sides with Antipater but does not really address Diogenes' points which essentially ask how any of Antipater's principles are supposed to function in the real world.

At this point Cicero largely abandons Diogenes and Antipater and switches from hypothetical situations to apparently real transactions. First, we hear about C. Canius who wanted to buy "some little gardens" in Sicily where he could relax (Off. 3.58-60). Pythius, a Syracusan banker, tricks Canius into buying one of his properties at an inflated price. The banker got all the local fishermen to fish along the shore by the estate while Canius was over for a banquet. Although you could not own the rights to offshore fishing (Dig. 1.8.4-5), the estate was apparently worth much more simply by virtue of its easy access to fresh seafood. Canius eagerly buys the place but, once the trick was discovered, he had no legal recourse because, Cicero tells us, C. Aquilius had yet to create the legal formulas for criminal fraud.

In the ensuing discussion of fraud, Cicero mentions another kind of sharp practice: a seller enlisting accomplices to bid up the prices of goods for sale and buyers using fake bidders to keep prices low. It is not clear how the latter scheme would work as he does not elaborate on these practices. Ideally, according to Cicero, each party to a potential transaction should simply state the price they think is fair. To illustrate this, Cicero next mentions the exemplary honesty of a certain Q. Scaevola who once paid more for a farm than the seller's asking price because he thought the farm was actually worth more (Off. 3.62). However, Cicero acknowledges that people would not generally regard Scaevola's action as wise.

At this point, Cicero brings up Hecaton of Rhodes who also attempts to justify something less than full honest disclosure of everything relating to a transaction (Off. 3.63). Cicero quotes Hecaton to the effect that the wise man will take his economic interests into account while not acting against the law, morals, or customs, because people seek wealth not just for themselves but to benefit their children, relatives, and
friends as well as the Republic. Once again we have here an allusion to
the possibility that traders might conduct business with the interests of
others in mind. Cicero dismisses Hecaton as unworthy of praise but, as
though channeling Diogenes for a moment, he concedes that, by the
standard he is setting out, most transactions do involve criminal fraud
(Off. 3.64).

Cicero next turns to a discussion of Roman real estate law which
held that one had to declare defects in property for sale and that the seller
had to make restitution if he knew of, but failed to disclose, a defect (Off.
3.65). We get another illustration: the augurs had ordered T. Claudius
Centumalus to tear down part of an insula he owned on the Caelian Hill
so that the augurs’ view was unobstructed. Instead of complying,
Claudius quickly sold the insula to one P. Calpurnius Lanarius. The
augurs then told Calpurnius that he needed to tear down parts of the
building. Calpurnius did as directed but then successfully sued Claudius
for damages because he knew parts of the building had to be torn down
but did not inform Calpurnius (Off. 3.66). Cicero claims that this ruling
established that good faith (bona fides) required the seller to tell the
buyer about any defect (vitium) of which he was aware (Off. 3.67). This
brings Cicero finally back to the grain merchant at Rhodes. Cicero claims
that, if you apply this ruling to that case, the Rhodians should be
informed of the other approaching ships carrying grain. This conclusion
is hardly compelling since all Cicero’s other examples involved real
defects in a thing being sold: the house is unsanitary or about to fall
down, the fishing is not really as good as it appears, parts of the building
need to be torn down. But there is nothing actually wrong with the
merchant’s grain and he is not actively deceiving his customers.
Diogenes’ questions continue to go unanswered. Just how far do one’s
obligations to the other party in a transaction go?

Cicero consistently veers away from addressing the possibility
that the grain dealer might have obligations to others that would compel
him to seek the greatest legal profit. He briefly mentions, but dismisses,
obligations to children, family, and friends and he does not raise the
possibility that the merchant has business partners to whom he might
owe something. Modern companies, for example, are obliged to act in
the interest of their shareholders. Cicero certainly knew about societates
given his dealings with publicani\textsuperscript{152}—indeed, it is precisely in Cicero’s

\textsuperscript{152} See Malmendier (2005, 38), for societates publicanorum, admittedly a special case.

169
time that Roman law is developing to accommodate traders by establishing clearer rules for partnerships and agency\textsuperscript{153}—so why are they absent from his discussion?

In other works, Cicero acknowledges the dangers inherent in the trader’s life: there are pirates, storms, and rapacious governors; luck is a major factor.\textsuperscript{154} These uncertainties and dangers are reflected in the high interest rates lenders could charge for maritime loans.\textsuperscript{155} Cicero, however, does not examine the obligations of a merchant who might have financed his grain shipment by means of such high interest loans.

What conclusions, then, can we draw from this discussion of business ethics? Cicero strongly advocates for the interests of the buyer. Although he knows about merchant partnerships and the financing of trade, Cicero is unwilling to use this information to justify (or even attempt to justify) the grain merchant not telling the Rhodians about the other ships. Cicero comes across as a relentless “consumer advocate” and his perspective largely won out in later Roman law. For example, Ulpian, in the Digest (4.3.1), states that the praetor’s edict “provides help against untrustworthy and deceitful people who injure others by means of some guile” and quotes the Edict to the effect that “a trial will be granted for things done by fraud if there is no other action concerning those things and the cause seems to be just.” In other words, the Roman jurists were quite willing to punish bad faith actors beyond the explicitly enumerated cases of real property transactions and slave sales.\textsuperscript{156} Ulpian also mentions the charge of trickery (stellionatus) as a possibility for fraud cases not otherwise addressed in Roman law (Dig. 47.20.3). There was no set penalty for stellionatus and in fact Ulpian says that the punishment was limited: for the lower orders you could do nothing more than condemn the guilty to the mines. In cases where something is sold but only later transferred to the purchaser, the Digest again sides strongly with the consumer. Paul (Dig. 18.6.3) notes that, “the seller must provide the kind of care that those who borrow things do, such that he provides better care than he would employ in the case of his own possessions.”

\textsuperscript{153} Aubert (2001, 94).
\textsuperscript{154} Cic., Verr. II 5.157: *Paramne multa mercatoribus sunt necessario pericula subeunda fortuna.*
\textsuperscript{155} Hollander (forthcoming).
\textsuperscript{156} In book 21 of the Digest there is an extensive discussion of the Aedile’s Edict with respect to the obligations of those who sell slaves to reveal their defects and what constitutes a defect.
ULpian does make one concession to the position of Diogenes, however, when he states that “what the seller says in order to recommend [his products] must be regarded as neither affirmed nor promised” (Dig. 4.3.37). Not even Roman jurists expected advertising to be honest.

In an essay on slave dealers Bodel has suggested that “Roman animosity toward slave-dealers centered on their reputation for deceiving buyers.”\(^{157}\) He points out that the derivation of the Latin word *mango* (a term for slave-dealers) derives from the Greek verb *manganeuein* which essentially means “to enchant or trick.” Slave dealers are notorious for tricking their customers but Cicero’s *De Officiis* suggests a much broader anxiety concerning dealers in all sorts of goods. Bodel describes Roman culture as “focused on the interests of the consumer,”\(^{158}\) and Cicero certainly bears this out. It is not too much to say that Cicero yearns for an embedded economy—a good sign that the Romans did not have one.

Roman elites almost certainly financed Roman trade and, through their slaves, freedmen, and friends, may well have run it. They would not have done this if there were not profits to be had since they regarded merchants as particularly vile and liars by nature. Furthermore, if agriculture were not as lucrative as was once supposed,\(^{159}\) long-distance trade may have formed a rather important part of elite investment portfolios. Nonetheless, elite authors are unwilling to give traders any moral cover despite the fact that they stood to benefit from the profits.

Why does Cicero want to hold traders to such an incredibly high standard for the disclosure of information? And why is he unwilling to entertain the idea that a trader could have valid reasons, other than simple greed, for withholding certain information? This blind spot may be further indication that business partnerships were rare in trade, that competition among traders was unusual, and that interest rates were not especially high.\(^{160}\) If luck was indeed a major factor in determining success or failure, few opportunities existed to increase “market share” by besting one’s competitors, and it was hard to manipulate the market, perhaps one of the best ways to earn extra profit was to cheat the customer.

\(^{157}\) Bodel (2005, 193).

\(^{158}\) Bodel (2005, 195).

\(^{159}\) Rosenstein (2008, 23-4) argues that “money-lending and urban enterprises offered much more enticing business opportunities” for senators in the mid to late Republic.

\(^{160}\) Hollander (forthcoming).
CONCLUSION

The picture developed here of the world of Roman traders invites a number of conclusions. First of all, the scale of the trade, while difficult in most cases to quantify satisfactorily, involved so many producers and consumers of such a wide array of goods that it should caution us against trusting (at least without heavy qualification) the claims of domestic and regional self-sufficiency occasionally put forth by our sources and some scholars.\textsuperscript{161} Secondly, modern economics can help us understand the Roman economy. Cicero’s Rhodian merchant story presupposes a grain market governed by supply and demand. Economics has moved well beyond its own classical roots and has much to offer the ancient historian. Thirdly, while the Romans certainly did not have a command economy, the role of the state, despite the small size of the bureaucracy, was substantial in creating markets (through public contracts and imperialism in general), suppressing or managing competition (through law and state monopolies), and lowering transaction costs (through, for example, road building and the production of a reliable coinage).\textsuperscript{162} Finally, the considerable influence of the state, the importance of networks of family and friends, and the role of luck in Roman trade do not mean that we can only make useful comparisons with other pre-modern economies. Friends and family remain crucial in many modern businesses,\textsuperscript{163} government regulations, spending, and incentives still drive the economy,\textsuperscript{164} and, given the fickle nature of taste and fashion, luck remains a factor.

\textsuperscript{161} E.g., Bang (2007, 29).
\textsuperscript{162} Although, as Bang (2007, 44) would insist, “The imperial interest was in tribute first” rather than fostering commerce.
\textsuperscript{163} For example, the family-owned South Korean chaebol or the Murdoch media empire.
\textsuperscript{164} E.g., Eisenhower’s “Military-Industrial Complex” or the American Recovery and Reinvestment Act of 2009.