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Coins in the Countryside? Gauging Rural Monetization

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Coins in the Countryside? Gauging Rural Monetization

Abstract
Monetization is "the extension...of the use of money in all its aspects... to the nonmonetized (subsistence and barter) sector" and can be measured by determining the "proportion of aggregate goods and services in an economy that are paid for in money by the purchaser." Such measurements are difficult to accomplish even for modern economies. For the ancient world, it is obviously impossible. Nevertheless the study of monetization in the ancient Mediterranean deserves greater attention. In this paper I will discuss the importance of monetization within and beyond the economic sphere, briefly review how scholars have treated the question of rural monetization in the past three decades, and suggest how we may better detect the use of coins in the countryside.

Disciplines
Economic History | European History | Family, Life Course, and Society | History | Work, Economy and Organizations

Comments
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Monetization is “the extension … of the use of money in all its aspects … to the nonmonetized (subsistence and barter) sector” and can be measured by determining the “proportion of aggregate goods and services in an economy that are paid for in money by the purchaser.” Such measurements are difficult to accomplish even for modern economies. For the ancient world, it is obviously impossible. Nevertheless the study of monetization in the ancient Mediterranean deserves greater attention. In this paper I will discuss the importance of monetization within and beyond the economic sphere, briefly review how scholars have treated the question of rural monetization in the past three decades, and suggest how we may better detect the use of coins in the countryside.

A careful consideration of monetization can be particularly useful in the development of economic models. For example, attempts to apply quantity theory to the ancient economy usually stumble owing to our lack of information concerning the velocity of circulation of money. The velocity of money, which has nothing to do with money’s speed but with how frequently it is spent, is difficult to measure even today except in terms of other variables. Monetization, in a sense the reciprocal of velocity, is a much easier concept both to grasp and to employ. To think about monetization is to consider how much money people wanted to use, and we do have the right kinds of evidence to make plausible estimates of this demand. Such estimates can then be used to determine how the Roman economy might have reacted to changes in money supply or prices.

Monetization is also an important indicator of the economic strategies of peasants and estate owners. The monetization of rural areas suggests increased interaction with markets and decreased reliance on self-sufficient or subsistence practices. Many historians continue to believe that an ideal of self-sufficiency guided peasants’ economic practices. Evidence of rural monetization would prompt a much-needed reevaluation of this assumption.

The study of monetization can also yield insights into broader social and political problems. For example, rural monetization in the second and first centuries B.C. may have contributed to the social and political turmoil that brought an end to the Roman Republic. People new to the use of money or new to a particular kind of money-use are apt to be less savvy in their financial dealings, making foolish economic decisions. Thus, in the Late Republic, monetization may well have contributed to the rise of indebtedness among Italian farmers and veterans who were increasingly willing to follow rogue generals and politicians promising land or debt relief.

In the 1970s little attention was paid to the question of monetization. Though it was generally accepted then, as now, that the cities of the Roman Empire were highly monetized, the topic of rural monetization was rarely broached. Michael Crawford argued that few coins reached the countryside and that “the use of coined money as a means of exchange was largely limited to the cities of the Empire.” For Moses Finley, the “widespread prevalence of household self-sufficiency” and the failure of both the Romans and Greeks “to maintain a sufficient supply of coins” made rural monetization impossible.

Interest in the topic of monetization began to grow in the 1980s, no doubt thanks to Keith Hopkins’s well-known taxes-and-trade article. While Hopkins did not describe his views on Roman monetization in great detail, he demonstrated its critical importance for understanding the Roman economy and, by arguing that during the late Republic “money percolated into a myriad of transactions which had previously been embedded in the subsistence economy,” he suggested the possibility of increased rural coin-use. Nevertheless most scholars continued to believe that rural monetization was quite limited. In 1985 Marcello de Cecco noted “the absence of small coins in the countryside” where “people would be more self-sufficient” but conceded that farmers would hoard high-value silver coins earned from the sale of surplus produce. This idea, that rural coin use was largely seasonal, remains current. Andrew Burnett observed in 1987 that “the excavation of rural sites, such as
Roman villas, has revealed a dearth of coins” and suggested that “coins ... were not normally used to any very large extent by the rural population.”

In the late 1980s and early 1990s, as more evidence for coins in the countryside emerged, scholars began to approach the topic of monetization with greater subtlety. Christopher Howgego’s 1992 article provides an excellent summary of the new developments and a brief but nuanced discussion of the whole problem of rural monetization. He noted that an “increasing number of careful excavations of more truly rural sites show that coins are to be found scattered in the countryside in quantity [even] in ‘more backward’ provinces like Britain.” Particularly important was Dominic Rathbone’s 1991 study of the Heroninus archive, demonstrating substantial rural monetization in third-century Egypt.

The quality of the discourse concerning monetization continues to improve. While no one believes that rural areas were ever as fully monetized as cities, scholars have begun to look for gradations of monetization (rather than speaking in terms of a binary opposition between monetized and unmonetized sectors of the economy), recognize that monetization can occur even without the availability of a substantial volume of coins, and pay more attention to the process of monetization itself. Inevitably the most interesting work has focused on Egypt.

The increased attention now paid to the topic of monetization is encouraging, but how can further progress be made? Obviously papyrological evidence will continue to play a substantial role, since it provides the best information concerning estate-management and therefore how money was used, if only for rural Egypt. What about the rest of the Empire? Although Peter Van Minnen has argued that “[a]ncient historians with an interest in economic history ... have to become documentary papyrologists,” there are ways to gauge rural monetization which are applicable to other parts of the Empire.

It has long been recognized that Greek and Roman literature can provide some pertinent information. Fergus Millar, for example, was struck by “the level and nature of economic activity outside the towns, first in villages, and secondly in the countryside itself” described in Apuleius’s *Metamorphoses.* The other ancient novels deserve the same attention. Polybius’s description of coin use at country inns (2.15) as well as passages from the works of Cato and Columella are often cited to demonstrate rural monetization. Obviously such sources must be treated with caution, but there is certainly more to be gleaned from surviving literary texts. For example, a reappraisal of those passages usually interpreted as advocating self-sufficiency should show that the limits to monetization were not as great as have been assumed.

The ever-increasing body of numismatic evidence may also yield further clues about rural monetization. While the problems of interpretation are substantial, the careful study of hoards and site finds may eventually provide us with an Empire-wide view of the phenomenon. Jairus Banaji, for example, used hoard size to detect geographical and chronological variations in monetary accumulation. The comparison of site finds from urban and rural sites should also continue to yield interesting results. Recent studies by Dirk Backendorf and Kris Lockyear on the relationship between hoards and mint output are particularly notable.

We can also gain further insight into ancient monetization – at least indirectly – through a better understanding of the function of Roman periodic markets. Fairs and markets have received renewed attention in the past decade, and peasant farmers being assigned a more substantial role in market networks. This development should prevent us from underestimating rural coin use, especially in Italy and North Africa.

Another avenue of approach is to consider collectively the various forms of “near-money” used in the ancient world. Too much attention is still paid to coinage and credit. Grain, wine, oil, slaves, land, and other assets often functioned as means of exchange, units of account, and stores of value. A better understanding of farmers’ monetary options and strategies will enable us to estimate their demand for coinage far more accurately.

One resource that seems to have been almost entirely overlooked is the use of comparative evidence. Looking at studies of rural development in nineteenth-century India, Africa, and elsewhere will enable us to identify potential proxy-variables, that is, relationships between monetization and other phenomena we may more easily measure. Obvious candidates are urbanization and indebtedness.

Excavations of farms and villas should also provide information about monetization. Aside from the numismatic evidence, the study of rural sites can indicate the dominant type of labor used on a farm and thus suggest likely levels of money demand. The presence or absence of slave quarters, storage facilities, and so forth may indicate different levels of reliance on labor markets or markets in general.

Finally, we must write about monetization more carefully. For some, monetization does mean the increased use of money, but often the term appears to signify nothing more than an increase in the money supply. Similarly, different levels of monetization must be distinguished more finely. Estimates of monetization ratios, such as Stephen Mitchell’s assumption that “only about one-fifth of the economy [of Roman Asia Minor] was monetized,” should stimulate further debate and encourage greater precision.

**Notes**

13. For a collection of similar references see: Howgego 1992 (supra n. 8), 21–22.
18. See, for example, E. Lo Cascio (ed.), *Mercati permanenti e mercati periodici nel mondo romano*, Bari 2000.