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The Byzantine Economy in an international context

In dit artikel schetst Alan Harvey de economische ontwikkeling van het Byzantijnse Rijk vanuit het perspectief van landbouw, nijverheid en handel. Een belangrijke rol is weggelegd voor de demografie.

Over more than one thousand years there were great fluctuations in the economy of the Byzantine Empire. The stability of the later Roman Empire provided favourable conditions for agriculture and commerce until the later sixth century. This was followed by a period of great military insecurity, a contraction in economic activity and a sharp fall in population. Recovery began, at first very slowly, in the tenth century and gathered pace in the eleventh and twelfth centuries. Although the sack of Constantinople by crusaders in 1204 seriously weakened imperial power, there is evidence of economic vitality until the middle of the fourteenth century, when a combination of war and a dramatic reduction in population, caused by the Black Death, led to a severe economic decline. This pattern was in general terms similar to that of the medieval West, but it can be argued that the Byzantine economy was less dynamic, especially in the commercial sector. One factor peculiar to Byzantium was the continuation of the Roman imperial tradition long after it had ended in the West. The economic impact of the structures of the Byzantine state, especially through its collection of taxes and its expenditure, and the role of its capital, Constantinople, will be assessed.

The economy of late antiquity

From the fourth century until the middle of the sixth, conditions in the Eastern Roman Empire were conducive to economic activity. The network of secure communications by land and sea facilitated the exchange of goods. The monetary system, particularly the gold *solidus* which provided a consistent standard of value, also played an essential role in promoting economic activity. Archaeological surveys in different parts of the eastern Mediter-

anean countryside have shown a rise in the number of settlements. The rural population was increasing steadily from the fourth century. Urban growth was also in evidence. Expenditure on the construction of public and religious buildings, as well as fortifications, put money into local economies. The demand for food and other commodities in Constantinople and the other large urban centres necessitated the transport of these items on a large scale by land and, especially, by sea. Constantinople obtained its grain largely from Egypt, its oil and wine mainly from Syria and Palestine, and it acted as a stimulus to agricultural specialisation, such as the intensive production of oil in many villages in Syria. It also needed large quantities of raw materials for its craftsmen. Although the trade route to Constantinople from Egypt, Palestine and Syria was the most important, there was also significant commercial exchange between Constantinople and North Africa and Italy until the later sixth century.

From the middle of the sixth century serious economic problems were becoming apparent. The expense of the Justinianic reconquest intensified the fiscal burden on the empire's population. The incursions of the Slavs and Avars into the Balkans were becoming more disruptive and urban decline has been found in Thrace from the fifth century. The transformation of urban sites in the Balkans into fortified settlements (*kastra*) took place in late Antiquity and was a precursor of a similar transformation in Asia Minor from the seventh century. The plague added to these problems. It struck in Egypt in 541 and reached Constantinople and other parts of the eastern empire in 542 and its impact was reinforced by subsequent recurrences. In the absence of solid evidence of mortality rates, discussion of its economic impact is speculative, but it probably led to a reduction in economic demand with adverse consequences for most sectors of the economy.¹ The economic history of the seventh and eighth centuries is particularly controversial, partly because the surviving source material is so limited. Arab attacks in Asia Minor and Slav incursions in the Balkans created great instability, which made economic life much more difficult. Excavations at urban sites, such as Corinth, Athens, Sardis and Ephesos, have revealed a substantial reduction in the occupied area and also a sharp contraction in the quantity of low value coins in circulation suggesting a

1 C. Morrisson and J.P. Sodini, 'The sixth-century economy', in: A.E. Laiou ed., *The economic history of Byzantium from the seventh through the fifteenth century I* (Washington 2002) 171-220; A.W. Dunn, 'The transition from polis to kastron in the Balkans (III-VII cc.). General and regional perspectives', *Byzantine and Modern Greek Studies* 18 (1994) 60-80.

reduction in the number of monetary transactions.²

There was a close connection between economic development and population trends, which were in Byzantium broadly similar to those of Western Europe during the middle ages. In the fifth and sixth centuries population levels were high and archaeological surveys have shown a rise in the number of rural settlements. The instability of the seventh and eighth centuries made economic life more difficult and the number of rural settlements declined sharply. By the tenth century there were signs of the beginning of a resumption of an upward trend in population which was sustained until the first half of the fourteenth century. The revenues which landowners derived from their estates increased as larger numbers of peasants settled on their properties. The expansion of rural settlements in Macedonia from the tenth century can be traced in archival documents. Privileged landowners received concessions from the state entitling them to establish peasant households on their estates with exemptions from a range of fiscal obligations on condition that the peasants were not already paying taxes or rents to the state. Regular fiscal reassessments were carried out to enforce the state's claims. For landowners the main importance of the grants of privileges was to protect them from an intensification of fiscal obligations as the peasant population on their estates increased. There was a substantial growth in the rural population of Macedonia between the tenth and early fourteenth centuries and both landowners and the state benefited from the resulting increase in revenues. The documentary evidence from Macedonia is complemented by the results of intensive archaeological surveys in other parts of Greece which show a consistent pattern of expansion of rural settlements from the eleventh century.³

The structure of Byzantine rural society

The Byzantine peasantry can be divided into two main categories: independent peasant farmers who owned their land and paid tax on it directly to the state; and peasants known as *paroikoi* who rented land either from

- 2 J.F. Haldon, *Byzantium in the seventh century. The transformation of a culture* (Cambridge 1990).
- 3 A. Harvey, *Economic expansion in the Byzantine Empire 900-1200* (Cambridge 1990) 47-56; J. Lefort, 'The rural economy, seventh-twelfth centuries' in: A.E. Laiou ed., *The Economic history of Byzantium from the seventh through the fifteenth Century I* (Washington 2002) 267-275.

private landowners or from the state. This distinction was often blurred, as peasants could own their own land and also rent additional land. The conditions on which *paroikoi* held their land were broadly similar to those imposed on peasants of servile status in parts of Western Europe. In addition to payments of rent they also owed the landowner a range of payments in kind and some labour services. These services were not as severe as those imposed on dependent peasants in some parts of Western Europe, for example the week work owed by many *villeins* in thirteenth-century England.⁴ In Byzantium villages of independent peasant producers came under increasing pressure during the tenth and eleventh centuries. Their ability to expand the area under cultivation was restricted by powerful neighbours and in some cases they had difficulty in resisting encroachments on their land by *paroikoi* settled on adjacent properties.⁵ This process can be seen most clearly in Macedonia, but a different pattern of development can be found in Western Asia Minor, where peasant communities remained strong into the thirteenth century.⁶ The Macedonian case is more likely to have been typical of conditions in most regions of the empire. Changes taking place in rural society were reflected in administrative developments during the eleventh century. The bureau of the *genikon*, which was responsible for collecting the land tax, declined in importance and it was superseded as the state's main source of revenue by the bureau of the *oikeiakon*, which was responsible for the administration of imperial estates. As independent peasant proprietors became a smaller proportion of the rural population and *paroikoi*, who were established on the properties of the state and powerful landowners, grew in numbers, the state obtained a larger part of its revenues from rent paid by its *paroikoi* and the tax payments of peasants proprietors became less significant. Both the state and powerful landowners, therefore, were benefiting from the growth in rural population.⁷

Agricultural expansion was, however, not confined to productivity gains resulting from an increase in labour. Landowners had the resources

4 C. Dyer, *Standards of living in the later middle ages. Social change in England c.1200-1520* (Cambridge 1989) 137.

5 Lefort, 'The rural economy, seventh-twelfth centuries', 288-289.

6 M. Angold, *Church and society in Byzantium under the Comnenoi 1081-1261* (Cambridge 1995) 325-329.

7 N. Oikonomides, 'The role of the Byzantine state in the economy' in: A.E. Laiou ed., *The economic history of Byzantium from the seventh through the fifteenth century III* (Washington 2002) 992.

to make improvements to their properties, in particular the construction of irrigation systems, and to specialise in cash crops like vines and olives. Oil was exported in large quantities from the Peloponnese from the twelfth century. Boats belonging to the monasteries of Mount Athos were regularly shipping wine to Thessaloniki and Constantinople in the tenth century; in the late twelfth century wine shipped to Constantinople in the boats of the monastery of Lavra attracted the attention of officials who attempted unsuccessfully to tax it. Less is known about the commercial activities of lay landowners. Isaac Comnenus, the founder of the twelfth-century monastery of Kosmosotira in Thrace, did have privileges allowing him to operate boats and it is very likely that other aristocratic landowners had similar entitlements.⁸ Byzantine agriculture was not, however, marked by any technological advances in contrast to Western Europe or the Islamic world. The most significant improvement in North West Europe, the introduction of the heavy plough, was less appropriate to Mediterranean farming conditions, where the preservation of moisture in the soil was a greater priority. The same cannot be said of the advances in the Islamic world, where improved irrigation enabled a range of new crops to be planted. In contrast, the improvements made by Byzantine landowners to their properties occurred within the limits of traditional agricultural practice. Their gains, nevertheless, had significant economic consequences. The growing wealth of landowners increased economic demand and stimulated the growth of towns and trade.⁹

The growth of the Byzantine urban economy

The flow of resources to Constantinople intensified during the eleventh and twelfth centuries and the capital retained its pre-eminence over all other cities in the empire. Western visitors were greatly impressed by the opulence of Constantinople. Elsewhere the revival of the urban economy in this period was most pronounced in the European provinces. There the general pattern was one of expansion: towns grew in size, the volume of commerce increased and money circulated in larger quantities. Thebes, the most important town in central Greece, owed its importance largely to

8 Harvey, *Economic expansion*, 238-239.

9 Ibidem, 120-162; A.M. Watson, *Agricultural innovation in the early Islamic world. The diffusion of crops and farming techniques, 700-1100* (Cambridge 1983).



Inscriptie geschreven in Abydos uit circa 492 waarin goederen beschreven werden, die naar Constantinopel worden verscheept uit: Cyril Mango ed., *The Oxford history of Byzantium* (Oxford 2002) 164.

the manufacture of high quality silk textiles, a craft in which its substantial Jewish population was actively engaged in the twelfth century. The most prestigious of the Theban silks were used for diplomatic gifts, and Italian merchants regularly conducted business there in the twelfth century. Thebes was exceptional in manufacturing for a market beyond its regional hinterland, but many other towns prospered by producing commodities to meet local or regional demand. At Corinth a commercial and industrial quarter, which included pottery workshops, glass factories, a metal-working factory and a number of retail outlets, has been excavated. It was also important as an administrative centre and as a port from which the produce of its hinterland was exported. At other towns such as Athens, settlement became

denser as the population increased. This pattern of urban growth can be found in most of the European provinces; for example, the population of Chrysoupolis near the Strymon river spread beyond its original fortification and a new outer wall was constructed in the fourteenth century. Many other ports acquired importance as outlets for the agricultural produce of their hinterland. The best known example is Almyros, which was one of the towns most regularly visited by Venetian merchants in the twelfth century. It was a place of little importance in the administrative structures of church and state, but owed its significance entirely to its commercial role as an outlet for the agricultural produce of the fertile region of Thessaly.¹⁰

There were a number of reasons for the strong upsurge in trade in the European provinces. Greater agricultural prosperity would have increased demand for goods. Peasants would have looked to the nearest market or to a periodic fair to meet their needs. Wealthy landowners with more substantial needs could have turned to the larger markets like Thebes or Corinth. These towns had the advantage of distance from Constantinople. In towns situated in closer proximity to the capital there would have been less incentive for the development of industrial crafts, because demand could be satisfied more easily from Constantinople.¹¹ Demand was also intensified by the presence of Italian merchants. In 1082 Alexius I granted Venetian merchants the right to trade in the empire without paying the *kommerkion*, the tax on commercial transactions. The Pisans and Genoese subsequently received less comprehensive rights. The places which are mentioned most frequently in the Venetian commercial documents of the twelfth century were Constantinople, Corinth, Sparta, Thebes, and Almyros. Their presence created a stronger demand for agricultural produce which benefited Byzantine landowners and peasants. This impact was not confined to those towns which are mentioned most often in the documents. Some commercial contracts stipulated that the trader should travel overland between Thebes and Constantinople, a journey which would have offered further opportunities for profitable trading.¹²

There was a clear contrast between the European provinces and Asia Minor, where the economy was severely disrupted in the late eleventh and

10 A.E. Laiou, 'Exchange and trade, seventh-twelfth centuries', in: A.E. Laiou ed., *The economic history of Byzantium from the seventh through the fifteenth century II* (Washington 2002) 697-770.

11 Harvey, *Economic expansion*, 242.

12 Laiou, 'Exchange and trade, seventh-twelfth centuries', 751-752.

early twelfth centuries. There is evidence of expansion up to the middle of the eleventh century. Towns were becoming more densely settled and there was an increase in small-scale commodity production for local markets. Due to the military instability following the Seljuk incursions, economic conditions became more difficult in both town and country. The restoration of Byzantine authority in Western Asia Minor and the strengthening of fortifications contributed to an economic recovery in the twelfth century; in the thirteenth century the empire of Nicaea offered a greater degree of security which provided a basis for economic expansion. The influx of powerful landowners and a growing rural population led to a more effective exploitation of agricultural resources. Commercial activity increased and the towns, especially Smyrna, prospered for much of the thirteenth century.¹³

Economic expansion in the eleventh and twelfth centuries was marked by an increase in the quantity of money in circulation. This was accompanied by an increase in imperial expenditure and, for much of this period, a growth in revenues obtained from taxation and imperial estates. The gold coin, the *nomisma*, was debased, at first slightly from the middle of the eleventh century. During the 1070s the debasement accelerated due to a budgetary crisis which followed the occupation of much of Asia Minor by the Seljuk Turks. Good quality coinage was restored by Alexius I in 1092. More flexible denominations of coin and the circulation of an increased quantity of coinage facilitated commercial exchange.¹⁴

The role of the state and the growth of the power of Venice and Genoa

The main difference between the economies of the Byzantine Empire and the medieval West was the influence exercised by the Byzantine state on the economic life of the empire throughout most of its history. It was solely responsible for the production and putting into circulation of coinage. It did this through its expenditure on the army and the administration, imperial

13 P. Magdalino, *The empire of Manuel I Komnenos 1143-1180* (Cambridge 1993) 123-132; M. Angold, *A Byzantine government in exile. Government and society under the Laskarids of Nicaea 1204-1261* (Oxford 1975) 97-120.

14 M.F. Hendy, *Coinage and money in the Byzantine Empire, 1081-1261* (Washington 1969); C. Morrisson, 'La dévaluation de la monnaie byzantine au XIe siècle. Essai d'interprétation', *Travaux et Mémoires* 6 (1976) 3-48.

largesse and, in Constantinople especially, through lavish expenditure on building works. Resources flowed from the provinces to Constantinople through a comprehensive system of land taxation. It also imposed a tax on commercial transactions and had the power to requisition supplies of food and raw materials. Its other important resource was the imperial estates which were located throughout the empire and provided revenues to the emperor personally and to official bureaux.¹⁵ The capital was the most important centre of economic demand. The imperial court, aristocratic households, the patriarch and large monastic houses generated a strong demand for luxury products. This created opportunities for a diverse range of merchants and craftsmen. The population of Constantinople is difficult to estimate at any time, but it was clearly substantially larger than any other city in the empire, from the seventh century especially so, and it required great quantities of foodstuffs to sustain its population. In late Antiquity grain supplies from Egypt were organised by the state. Later, the pull of market demand was sufficient, under normal conditions, to supply the capital, although the process was overseen by the eparch of the city.¹⁶ Until the end of the twelfth century the state left a strong imprint on the functioning of the economy.

The role played by the state in the economic life of the empire was greatly reduced after the loss of Constantinople in 1204. Even after the recovery of the capital in 1261 the power of the state to control resources was greatly reduced in comparison to earlier centuries. It no longer exercised authority over economically productive regions in Southern and Central Greece. In the lands which it did control it lacked the authority to restrict the power of aristocratic and monastic landowners. The revenue which the state derived from the land tax was limited by the reduction in its territorial base and the grants of extensive fiscal concessions to privileged landowners. The

15 M. F. Hendy, *Studies in the Byzantine monetary economy, c300-1450* (Cambridge 1985).

16 G. Dagron, 'The urban economy, seventh to twelfth centuries' in: A.E. Laiou ed., *The economic history of Byzantium from the seventh through the fifteenth Century II* (Washington 2002) 393-461; G.C. Maniatis, 'Organization, market structure and modus operandi of the private silk industry in tenth-century Byzantium', *Dumbarton Oaks Papers* 53 (1999) 263-332; G.C. Maniatis, 'The organizational setup and functioning of the fish market in tenth-century Constantinople', *Dumbarton Oaks Papers* 54 (2000) 13-42.

state also obtained little from the tax on commerce due to the commercial privileges and maritime power of the Venetians and Genoese. It became increasingly dependent on the revenues from imperial estates. The economic pattern of earlier centuries, when revenues flowed in great quantities from the provinces to the capital and moneys were distributed through imperial expenditure and largesse became much less significant from the thirteenth century onwards. Instead, Italian merchants played a more commanding role in the economic life of Byzantium. In the partition of the empire following the fourth crusade, the Venetians acquired a number of ports and islands which were of strategic value for the development of their commerce. In particular, Crete was important for the control of their trade in the Aegean and the Levant, while Korone and Modon became vital centres for the export of agricultural produce from the Peloponnese. The Venetians were able to retain these gains after the restoration of Byzantine authority in Constantinople in 1261, when the Genoese also received concessions of lasting importance. They secured a presence on Chios, which offered access to alum from Phokaia and their port, Kaffa, on the Black Sea became the base for their domination of the trade of that region. Their settlement at Galata drew a growing volume of trade away from Constantinople. There was a permanent Italian presence in many towns, enabling goods to be sold in the surrounding rural settlements. The Italian merchants and their agents traded textiles and metal work made in the west, as well as agricultural produce and raw materials. Byzantine merchants, in contrast, often had difficulty in gaining access to the markets of the Italian colonies. Subterfuges, such as taking out Venetian citizenship, were used to get around this problem. There were, of course, some notable Byzantine merchants. Traders from Monemvasia were, for part of the fourteenth century, very successful and their commercial activity extended beyond the borders of the empire. Members of the Byzantine aristocracy also became more heavily involved in commerce, in part because their revenues from land were becoming more precarious from the middle of the fourteenth century. Although there is considerable evidence of Byzantine mercantile activity in the fourteenth and fifteenth centuries, it took place in a context of Venetian and Genoese pre-eminence. Byzantine merchants had a secondary position in their dealings with the Italians.¹⁷

17 K.P. Matschke, 'Commerce, trade, markets and money, thirteenth-fifteenth centuries' in: A.E. Laiou ed., *The economic history of Byzantium from the seventh through the fifteenth century II* (Washington 2002) 771-806.

The decline of the Byzantine economy from the fourteenth century

By the early fourteenth century the empire had lost control over Asia Minor apart from a few isolated outposts. It still retained a substantial territorial base in Europe, but the flow of revenues to the state and to landowners was reduced by a number of factors during the fourteenth century. Landown-ership was disrupted by the Serbian occupation of much of Macedonia in the middle of the century. Some landowners had good contacts with the Serbian monarch and were able to retain their properties. The monasteries of Mount Athos were granted privileges, but other landowners lost possession of their estates. Even if they recovered them after the reestablishment of Byzantine rule, the properties suffered from the effects of war and depopulation and were greatly reduced in value. The Ottoman advance into Europe in the second half of the fourteenth century made conditions in the rural economy much more precarious. Demographic decline following the Black Death had a devastating impact on landowners' revenues; although the Byzantine evidence is less comprehensive than that for the medieval West, the general pattern is similar. On the island of Limnos numerous abandoned peasant holdings on monastic properties were recorded in the 1350s and 1360s. Evidence for the lands in Macedonia belonging to the monasteries of Mount Athos suggest that between 1321 and 1409 the peasant population had fallen by about 80 percent.

This reduction might have been aggravated by political and military factors, as peasants sought greater security in territory controlled by the Ottomans. As their pressure on Constantinople and Thessaloniki increased, conditions on the land still controlled by the Byzantines became more difficult and productive agriculture was almost impossible. During the temporary relaxation of Ottoman pressure following the Battle of Ankara in 1402, the state did make some attempts to stimulate agricultural production. The monasteries of Mount Athos received extensive privileges to encourage them to improve the security and productivity of their properties in the Kassandra peninsula, which had the potential to supply significant quantities of food to Thessaloniki.¹⁸ These efforts had little success and the

18 A.E. Laiou, 'The agrarian economy, thirteenth-fifteenth centuries' in: A.E. Laiou ed., *The economic history of Byzantium from the seventh through the fifteenth Century I* (Washington 2001) 311-75; J.F. Haldon, 'Limnos, monastic holdings and the Byzantine state' in: A.A.M. Bryer, H. Lowry ed., *Continuity and change in late Byzantine and early Ottoman society* (Birmingham and Washington 1986) 161-215.

revival of Ottoman power made conditions in Thessaloniki very precarious. Constantinople also suffered from the reduction of its hinterland. The state found it increasingly difficult to maintain the city in good repair due to its dwindling resources. Outsiders commented on the scattered settlements, resembling villages, inside the city's walls. Nevertheless, commercial quarters continued to exist until the end of the empire. A considerable demand was generated by the imperial court, even in the straitened circumstances of the late empire, and also by the substantial aristocratic wealth in the city. This maintained a range of traders and artisans. Some Byzantines engaged in banking, but the range of their operations was largely confined to Constantinople and Thessaloniki. This evidence of economic activity notwithstanding, the economy of fifteenth-century Constantinople was much reduced compared to previous centuries and by the time of its capture by the Ottomans its population may have fallen below 50,000. Economic conditions remained unfavourable until the city's capture, when the stability provided by the Ottomans facilitated a revival of economic activity.¹⁹

In conclusion, the general pattern of economic development in Byzantium was similar to that of the medieval West. The most important trends in population - agricultural productivity, trade and urban growth - were closely interrelated. Changes in population levels had a direct impact on agricultural production. An increase in the incomes of landowners and peasants led to a greater demand for commodities and stimulated urban production and commerce. These relationships were equally apparent in periods of expansion as well as decline. There were, however, some significant differences between Byzantium and the West in agricultural production. In Western Europe technological innovations were made unlike in Byzantium. During the twelfth century trade between Byzantium and the West did increase, but the imperial court and administration in Constantinople continued to play a major role in structuring economic activity within the empire. As the power of the empire declined from the thirteenth century, economic activity retained considerable vitality until the middle of the fourteenth century, but as the Byzantine economy became more closely intertwined with that of the West, Byzantine traders increasingly played a subordinate role to Italian merchants.

19 K.P. Matschke, 'The late Byzantine urban economy' in: A.E. Laiou ed., *The economic history of Byzantium from the seventh through the fifteenth century II* (Washington 2002) 463-95.