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“Economic Theories and the Ancient Near East”
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ECONOMIC THEORIES AND THE ANCIENT NEAR EAST

Marc Van De Mieroop

Economic history is no longer a second-rate discipline in ancient Near Eastern studies, as it used to be in the first half of the twentieth century when the study of religious ideology was considered more important than that of how the people lived (Gelb 1967). The changed attitude is clear from the enormous number of books and articles devoted to the subject that have appeared in the last decades. Within the ancient world the empirical data provided by the cuneiform tablets of Mesopotamia and its neighbors is virtually unparalleled. Only Egypt in the Ptolemaic and Roman periods can compete. In addition to the analytical studies that have appeared, there have been some attempts to formulate theoretical frameworks that can be used to provide a structure for the interpretation of economic actions.¹ There have been many discussions of how we can interpret the ancient Mesopotamian economy (mostly focused on whether or not markets and money existed), but these often are not useful as theoretical bases for the study of the economy in general. Moreover, no true economic history of the ancient Near East has ever been written and many analyses of economic material are published without a clearly acknowledged theoretical basis. I have become increasingly skeptical that a framework convincing the majority of scholars can be developed. We can, and we need to, develop structures that enable us to contextualize interpretations, but we should acknowledge that these are constructs of our minds that are not provable.

All scholars working in economic history need to comprehend the intellectual background of the structures their colleagues use, in order to make possible debates that lead to a better understanding of the past.

I will discuss here some of the most often used theoretical bases for economic studies of the ancient Near East, especially their intellectual sources of inspiration. This is thus primarily a historiographic paper. I cannot claim to cover all current theories, as there are many variants. My hope is to address the most prominent ones, which I will call Marxian, primitivist, and modernist.

In Marx’s own economic theory, “class” was a crucial concept, determined by one’s access to the means of production. In any pre-industrial society that refers to land, and the question of land ownership is a crucial one for a Marxian economic analysis. This is a difficult subject in ancient Near Eastern studies: we can identify three types of ownership, but not how prevalent any one was at a particular moment in time. The three types of landownership are communal, private, and institutional, and can be documented in varying measures for almost every period of ancient Near Eastern history (Renger 1995). There are traces — often vague — of village communities owning land in common and restricting its alienation to individuals. Private ownership of land entails an individual’s full freedom to do with it what he or she wants, including selling it (Diakonoff 1982, 8-13). That type of ownership is somewhat better documented through sales records of agricultural

land, something we find rarely in the third millennium, but with increasing frequency later on.

Institutional ownership is the best documented in the ancient Near Eastern record, but its nature is perhaps the most difficult to comprehend as we have to determine as well the economic role of the institution in society in general. We can easily ascertain that an institution, such as the temple or the palace, owned land — but what is the importance of that organization to the people living in the same territory? The relationship between institutions and the state needs to be established. Too often the two seem to be considered identical in scholarship. The idea that the early Babylonian city was fully dominated by the temple, and that a typical state then was a temple-city, was popular for a long time, but has now mostly been abandoned.² An equation of the palace and the state is still common, however.³ Even under the Assyrian empire, when the palace held an enormous amount of power and owned huge tracts of land, it did not represent the entire state economy. The latter was more encompassing, incorporating the activities of all organizations, including temples and private households. Institutions are to be regarded as households that existed side-by-side other households, institutional and private. The interactions between these households define the economy and in the societies of the ancient Near East they were very widespread and complex. The various types of households were not neatly categorized. An individual could easily take care of the affairs of an institution at the same time as those of his own household. The two were folded together, oftentimes without a strict boundary. It would be anachronistic to speak of a national economy in ancient Mesopotamia, as there were no real nations but often heterogeneous territories held together by the ruler. The question of the economic nature of the Mesopotamian state is far from clear and should be one of the fundamental topics of research for the modern historian.

In Marx’s view of history, and that of his collaborator Engels (1884), there was an evolution from communal to private in the ownership of the means of production. The development of private property was a historical event that coincided with the dissolution of the community into nuclear families. Private ownership grew over the ages to find its culmination in the capitalist stage. Does the ancient Near East present a long period of transition between communal and private ownership? There seems to have been a shift in the nature of land ownership over time, with an increased importance of private property, but the existence of communal land long after the attestation of private land, places doubt on such an evolutionary model.

Marx simplified matters and the data known to him did not support a view that there was a universal evolution through the historical stages he posited. Hence he developed the confused notion of the Asiatic Mode of Production, which would explain how a large part of the world did not participate in the de-

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² The bibliography on this issue is large and the question not fully settled; see the short survey in Snell 1997:148-9.
³ For example, a collection of conference papers entitled State and Temple Economy in the Ancient Near East (Lipinski 1979), actually deals with palace and temple economies.
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velopments he saw in the west. He argued that regions like India, where the com-
munity was pivotal, were wrenched from a primitive condition to a capitalist stage
imported by colonial powers. But the desire to develop a model that could be ap-
plied globally and that made the arrival of communism a historical necessity was
so great that the exceptional character of the world outside western Europe was
ignored by Engels and by many subsequent Marxists, and the concept of the Asi-
atic Mode of Production died out. 4

Marxian thought has much to contribute to the student of Near Eastern eco-
nomics. First, it stresses the importance of economic history, and the practitioner
can feel that he or she is at the center of historical research. Moreover, it forces us
to look at production as a core element in the economy, something that is often
ignored with other theoretical frameworks, which concentrate on exchange.

More contentious in the field of ancient Near Eastern studies, and in that of
ancient studies in general, has been the theory that the ancient economy was so
fundamentally different from the modern one that no tools of analysis or concepts
developed for the latter can be used in the study of antiquity. The person outside
the field of ancient studies most often identified with this idea, and most routinely
criticized, is Karl Polanyi, but his ideas have a long and distinguished pedigree,
including the works of the classical scholar Karl Bücher and the sociologist Max
Weber (Van De Mieroop 1999, 115-8). They argue that the economy needs to be
studied in its social context, and that the activities we observe have very different
meanings in different social contexts. Polanyi focused his attention on exchange,
positing the existence of three systems: reciprocity, redistribution, and the market.
The latter’s importance was a modern development, and in antiquity the market’s
role was minimal and not influenced by such elements as supply and demand.

It is important to remember the context of Polanyi’s work on antiquity and the
non-western world when evaluating this proposition. His most important book,
The Great Transformation was originally published in 1944 and attempted to ex-
plain Word War I and the subsequent rise of fascism in his own lifetime. These
disasters were due, in Polanyi’s opinion, to a combination of nationalism and the
free market economy. “Market economy implies a self-regulating system of mar-
kets; in slightly more technical terms, it is an economy directed by market prices
and nothing but market prices.” (Polanyi 2001, 45) He had thus a very specific
definition of the word market in mind when he stated that it was a nineteenth cen-
tury invention, and this has been overlooked in subsequent discussions in the field
of Near Eastern studies. Polanyi was highly critical of unfettered market liberal-
ism as well as of a fully centralized state-economy. He looked thus for a “third
way” which would protect the individual in an economy embedded in the social
structures. This, by the way, led to a revival of his writings since 1990, and he has
become an idol of the anti-globalization movement. It is within this context that
we need to see his work on antiquity, which was primarily undertaken late in his
life. Just as Marx and Engels looked for a primitive communist society in early

4 The literature on the Asiatic Mode of Production is enormous and contentious. In ancient Near
Eastern studies it has been most extensively discussed by Zaccagnini 1981.
antiquity, Polanyi sought a better economic system in that era. Modern scholars often imagine the world they dream of in the distant past, when factual evidence is limited and interpretations can vary freely. Polanyi did not investigate trade in Hammurapi’s time, determine that it was marketless, and then postulate that economies could be based on non-market exchange. Rather, he was convinced that the ideology of the free market was flawed, disliked what he saw in the recent history of the world, and wanted to find great cultures of the past where the market had no role. Thus he interpreted the data to fit his ideas. That does not mean that he was completely wrong, certainly not with respect to the modern market economy. The student of the ancient world should follow his basic precept that the study of an economy needs to be contextualized within the social structure of the society under investigation.

Marxians and primitivists share, among other things, a belief that capitalism represents a unique historical situation. The explanation of how and why it ever developed is a concern of numerous historians and economists. We have to remember that when we read their statements about pre-capitalist economies: the differences with the capitalist system in which all authors lived or live are stressed, as are those elements that contributed to the rise of the new economic structure. Thus Max Weber, one of Polanyi’s inspirations, focused on trade and exchange because he saw the capitalist spirit develop from a coalescence of western cities trading their manufactures and a Protestant ethic that wanted to use money for the sake of making more money rather than for the display of wealth (Weber 1983). In order to make that uniqueness clearer, he stressed the non-productive role of the cities in antiquity, which did take rents and taxes from the countryside but did not use the income for productive purposes. Especially in Weber’s case, the argument is often based on polar oppositions: what is present in one of his ideal types is absent or entirely the opposite in the other. For example, the ideal type of the Medieval city was characterized by extensive manufacture for export, thus the ideal type of the ancient was characterized by an absence of craft production on a large scale and a lack of exports. This procedure of reasoning contains a great danger for those using empirical data: if the concern is to define the uniqueness of a situation best known to the scholar, in this case capitalism, then the other, presented as a polar opposite, will not be depicted in its own right but in the negative, as a foil. It would be a mistake to see such reasoning as a coherently argued description in its own right.

Adherents of modernist interpretations of the economy, finally, do not necessarily deny the uniqueness of the capitalist economy, but take a pragmatic stance in the study of antiquity: tools of modern economic analysis can be used when studying ancient data, and we can understand the people of antiquity because they were not driven by entirely different economic motives as we are today. This stance is rarely explicitly argued in ancient Near Eastern studies, but underlies many analytical studies of economic data. When terms such as profit motive, investment, supply and demand, and so on are used, there is an underlying assumption of a system that parallels our modern one.
In the study of antiquity in general the validity of doing so has been much debated since the famous Bücher - Meyer controversy of the late nineteenth century (Schneider 1990). Again we should contextualize that debate: German and Austrian economists at the same time were involved in a polemic over whether or not there was a universal validity to economic analyses employed at the time. The Germans insisted on the uniqueness of all economic situations in order to be able to plead for protectionism of the developing German industry, against the laws of liberal economic theory. They found support for their ideas in historicism, insisting that each historical period is unique and that models cannot be used across chronological or cultural borders. Thus the free market, which had been absent in many historical situations, did not need to be the goal of the contemporary German economy either. On the opposite end there was the idea of the universal law of maximization of economic resources, which could be used in the analysis of any economy. Such debates continue today.

The use of models, developed to explain contemporary situations, has many dangers for the study of antiquity. The depiction of the past in historical models is not for the sake of explaining that past world, but to portray something that differed from and may have led to the modern capitalist system in the long run. Long-term teleological histories, such as those of Marx and Weber, have been under attack since the 1970s and, while perhaps not dead, are under severe suspicion. On the other hand, modernists can be accused of having a static view of history, as if historical circumstances do not change radically. Since the work of Michel Foucault has gained worldwide recognition in the 1980s, it has become increasingly clear how peoples’ perceptions can fundamentally change from one century to another, how instead of progress in history, we find processes that often include rifts and reversals: thus the casting of a modern point of view on ancient peoples is also a mistake.

Historians today often aim to write histories that take into account all the particular circumstances of the people they investigate, political, economic, social, religious, sexual and so on. That is indeed a laudable goal, but an elusive one, since those same structures in which to place the data also dissolve because of a distance in time and familiarity. One needs to situate what can be observed into a wider context that is partly, or sometimes greatly, hypothetical, and this is done through analogy with better known cases. Those analogies are by definition anachronistic and their use biases our understanding of the data.

Scholars often suggest that the evidence for wider conclusions could be available and that partial data rather than the nature of the evidence itself prevent us from a complete reconstruction of the ancient economy. With a few examples, I will argue that this is a false idea. It is the form of the ancient evidence, rather than its contents, that prevents us from understanding the economy as a whole. The examples will show that the evidence always reveals one aspect of economic activity at the expense of others that probably co-existed. The examples I use all deal with modes of exchange, as this question is the most controversial in the study of the ancient Near Eastern economy. I will address Polanyi’s three systems of exchange redistribution, reciprocity, and market exchange studying how they
are attested in different periods of Near Eastern history, and how the data from these periods fully bias our views.

Redistribution is a mode of exchange that is very well documented throughout the history of Mesopotamia. It requires that an institution has access to enormous resources, which it subsequently hands out to people. In certain periods, institutional control over economic resources seems nearly all-encompassing, almost to the exclusion of other sectors. The Ur III period (the twenty-first century BC in southern Mesopotamia) is often regarded as one of these periods: the extensive documentary record available to us illustrates that the palace directly controlled an enormous amount of agricultural land, the very basis of the economy, and distributed much of its income to thousands of dependents, from the king down to the baby of a lowly weaver. These ration texts document the issue of barley, wool, clothing, and oil to long lists of people, who seem to have been fully reliant on the palace for their survival. In order to obtain the resources needed for these distributions, the palace seems to have owned the majority of the land in the state’s territory. One single record, for example, indicates that an area of 837.5 sq. km. in the province of one city alone was directly administered by the palace and by temples acting on its behalf (Van De Mieroop 1999, 123-4). From the available record, one might easily conclude that in this century the palace controlled all productive resources and that the majority of people survived from their redistribution. The amounts registered are so massive that this conclusion seems utterly reasonable. Moreover, there is virtually no record of any economic activity outside the institutional sphere, which seems to corroborate this conclusion.

But it can be contested on at least two counts. First, the idea that dependent laborers relied fully on institutional rations for their survival is suspect. We can determine that at least some groups, such as craftsmen (Steinkeller 1996), were given rations only part of the year. What happened during the remaining months? Did they hire themselves out to the institution for a salary rather than a ration, or did they have a business on the side, their labor paid for by private customers? The latter option, which is quite likely, would not be attested in the available record, and thus cannot be proven. Secondly, the palace’s control over all the agricultural resources can also not be conclusively established. Although huge tracts of land in a province such as Lagash are documented as supervised by the palace, some scholars believe that there was ample space for privately owned land (van Driel 1999-2000). The debates over this are hopeless, as the documentation does not exist to prove whether or not all the land of the region is accounted for. Consequently, we can state only that redistribution was an important activity in Ur III times, but we cannot determine whether or not it was at the exclusion of any other system of exchange. If it were not exclusive, then its importance cannot be calculated, as we never know the full extent of the economy in any period of Mesopotamian history. This is not a consequence of the fact that we have insufficient data, but due to the kind of data we have: the institutional archives did not bother to record property outside their purview.

5 Other scholars strongly contest that idea, e.g., Steinkeller 1999.
Another type of exchange is reciprocal: people give one another goods and services that are considered equal in use value, sometimes with a delay in time. These transactions can be sufficient to fulfill certain needs and are guided by a value system that is not necessarily based on what we would describe as “price.” There is nothing unusual about reciprocity we all exchange gifts with friends and family. Can it be an important economic factor, however? In ancient Near Eastern history there are certainly examples where it was. Most eloquent is the case of the late Bronze Age, c. 1500 -1200 BC, when kings of the various great states were actively engaged in gift exchange of precious goods, as documented by the Amarna letters from mid-fourteenth century Egypt. The king of that country was the sole supplier of gold to a group of peers who were in need of the metal for their building activities and other projects at home. In order to obtain gold, the other kings provided him with presents of the precious items available to them. They sent to Egypt horses, copper, craft goods, and so on, with the understanding that they would receive gold or ivory in return. The fiction that these were “presents” was carefully maintained, although everyone knew that access to rare goods was the intent. Thus some seemingly irrational practices can be observed: The king of Alashiya, for instance, sent a small amount of ivory along with a large shipment of copper and wood to Egypt the land where ivory was abundant. He did so in order to indicate clearly to his colleague that he hoped to be repaid in ivory (Liverani 1972).

The gift exchange, based on rules of reciprocity, thus had a commercial goal. While the idea of commercial value was not explicitly expressed, the kings kept track of what they gave and received and often complained bitterly if they felt cheated. Much of this was griping and probably unjustified, but still the kings maintained some balance in the value of what they gave one another. It may seem that the gift exchange was the only way in which certain precious goods could be acquired, but this cannot be proven and there are indications to the contrary. Tusks of ivory, for example, were found in the (admittedly somewhat later, i.e., late fourteenth century) shipwreck at Ulunburun off the southern Anatolian coast, and that ship seems to be evidence of merchants travelling on their own behalf (Pulak and Bass 1997). Another network of exchange co-existed with reciprocity and we cannot establish how economically important either one was.

The nature and the importance of market exchange, the third mode, and the ancillary question of the existence of money in the ancient Near East, has generated the most debate in the discipline, and scholars still hold very different opinions on the matter. The bibliography on it is now enormous, but the discussions often resemble restatements of previously expressed opinions, and have not led to a fruitful exchange of ideas. To an extent this situation results from the different

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6 The literature can be divided as expressing two diametrically opposed opinions. On one side scholars of the Near East follow Polanyi’s statements that there was no market or true money (e.g., Renger 1995b), on the other side they recognize these economic features in the Near Eastern record and consider them to have been very important (e.g., Powell 1999, Goddeeris 2002, 382-92). The issue emerges in almost every overall discussion of the economy and the same arguments and counter-arguments are employed. See, for example, Renger 2002 and
meanings given to the term market. These have ranged from a place where exchange occurs, to exchange itself, to price equivalents and rates for the exchange of goods determined by the laws of supply and demand (Zaccagnini 1987-90). Today’s ideology of market liberalism would have the entire world’s economy ruled by market forces, and prices would be solely determined by supply and demand. The question of prices in the ancient Near East is tricky, but price fluctuations cannot be explained as the result of market forces. Perhaps the best record available to us is provided by price quotations in the astronomical diaries of the first millennium BC, which provide a sequence over some six centuries (Slotsky 1997). Analysis of the prices of agricultural products does not show a decrease in times of abundance, that is after the harvest, or any other pattern that would suggest that supply and demand dictate what is going on. But neither does an entirely free market exist in the contemporary world, despite official rhetoric. Ideology does not reflect actual practice.

Behavior connected to market exchange can be observed in the ancient Near Eastern record. One group of records that extensively demonstrates this point derives from the Old Assyrian merchant colony at central Anatolian Kanesh, including more than 20,000 tablets dating to the first centuries of the second millennium BC, many of them letters. They were written by merchants from the city of Assur, which was the central point of a network that traded tin from the east, textiles from Babylonia, and silver and gold from Anatolia. Here, men and women collected funds for their activities by seeking investments and loans, they took commercial risks, and could either make substantial profits or incur losses. These activities were not carried out under the auspices of the palace, but were regulated through an organization the merchants set up and ran themselves. The goal of their work has been described by one leading specialist on this material as “filthy lucre,” and the city of Assur has been compared to such European mercantile centers as Genoa (Larsen 1982). This case is the prime example of Polanyi’s weak control over the empirical data: he argued that the Kanesh material shows administered trade under palace control, with the merchants only receiving commissions and being protected from losses because the palace employed them (Polanyi 1957). He was demonstrably wrong (Veenhof 1972, 349-57), but the Old Assyrian case does not fully support a view that the market economy dominated in the ancient Near East either. To say that the merchants were driven by profit motives similar to those we associate with capitalism, is an assumption we cannot demonstrate.

I have given these examples to show that we can find different spheres and types of economic interaction throughout ancient Near Eastern history, and that we cannot prove that one existed to the exclusion of others at any time. Most scholars would agree, I think, that they co-existed. I also argue that the documentary basis does not allow us to show how dominant one was, even when we are

the comments in the same volume on p. 283, where both sides are represented. A detailed survey of the issue by van Driel (2002) was not available to me at the time of writing this article.

7 Alice Slotsky, who is preparing a study of price fluctuations, provided this information to me.
overwhelmed with material. We are never in a position to reconstruct the economy of a region, only of a segment of society whose records we happen to have recovered. The limitations of the documentary basis should always be kept in mind, although we should be happy there is this much.

I encourage a skeptical attitude toward the grand theories of economic history, although not a full rejection of them. Even if there was an increase in the knowledge about the ancient Near East and antiquity in general from the time of Marx to Weber to Polanyi, we have to remember that those periods of history were not the primary concerns of those thinkers. They wondered about, and sought to explain, their own present. The past was a world with differences that were interesting chiefly for the contrasts they provided. Their theories contain important tools of analysis, however. They urge us to look at questions with a particular focus. To use a Marxian analysis of the ancient economy does not mean that one accepts that anything Marx said about the topic was correct that would set scholarship back more than a century but his ideas can be useful guides for our approaches to historical questions.

The study of history shows us that each society has its own characteristics and that all elements we observe need to be placed in their local context. The challenge is to find such a context, and this can be impossible. By rejecting grand theories, we can become stuck in a post-structuralist impasse, and it is here that I want to recommend pragmatism and also tolerance. We need to place our studies, even an analysis of five loan contracts, in a wider context and that context will remain explicitly hypothetical. We should be aware about what its inspiration is, however, and be candid about it. I do not suggest that each edition of a document should be preceded with a statement of the author’s view on the structure of the economy, but our language should be clear for its intellectual genealogy. Moreover, we should acknowledge that an approach inspired by another ideology can have its benefits. Thus, the use of tools of modern economic analysis can be helpful, as long as we do not create the impression that the ancient economy was just like the modern one.

The study of the economic history of the Near East still has an enormous number of questions and data to be explored. It should continue at the rate we observe in recent decades. I urge scholars from other historical disciplines to look at the ancient Near East more than they have done so far. As I stated in the beginning of this article, we have an unparalleled riches of material and we should mine it as much as we can.
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