Building Empire on the Backs of Others: Rentierism in Early Rome

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Abstract

All the world knows that once upon a time Rome conquered all the world. We have Hollywood to thank for that. The movie makers focus on the more salacious aspects while serious historians naturally tend to periods that are well documented. Almost all of the things that make good movies and sell books happened centuries after the city's mythical foundation in 754 BCE. This has resulted in relative neglect of Rome's much more humble beginnings. But it is worth asking: How is it that Rome, starting with such modest means, rose to such heights? How were these early Romans, hardscrabble farmers, malodorous goatherds, careworn matrons able to produce the means for, first, their own protection, and then the initial, shaky steps to empire, long before they had access to waves of tribute, booty and taxes? The natural endowments of central Italy are such that agriculture production never rose much above subsistence levels. Precious metals were precious few. And their neighbors? Mean and nasty as can be.

This paper is interested in the embryonic stage of that journey with a particular and practical focus. How did the early Romans manage to bootstrap themselves out of penury and into power? (By no means the level of power they centuries later would have, but just enough to subdue their unruly neighbors.) I contest the notion held by many that it was an agricultural economy that underpinned their efforts. Rather, I propose that the Romans were, metaphorically, a great deal better at harvesting the fields of others than tending their own. More technically, they were rentiers. They excelled at capturing wealth created by others rather than producing it themselves. And that was of necessity.

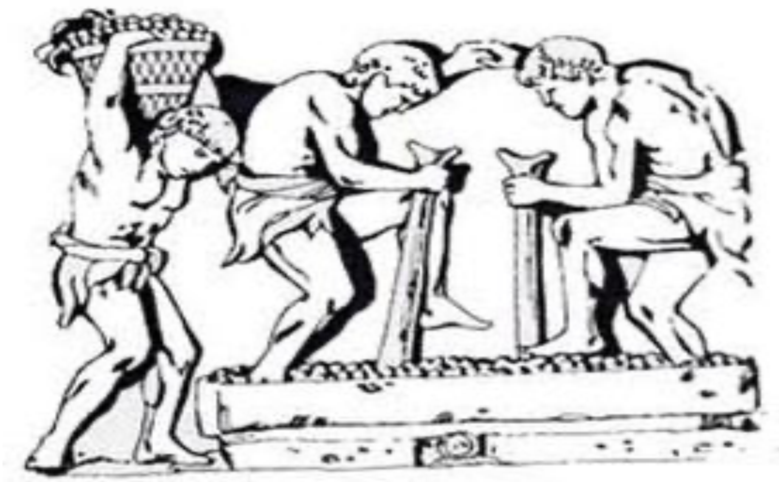
For, Rome's elite, however roughly hewn it may have been in those earliest times, was acquisitive in nature. Its desire to consume surpassed the society's ability to produce, necessitating a means of gathering wealth that bridged the gap. I argue that rentier practices allowed it to do so, and more.

Starting with the construction of an abstract model of a rentier state, this study relies on a multidisciplinary approach to find support for or against the notion that rentier practices were important in early Rome. Historical, literary and epigraphical sources are central, as are economic studies, but archeological finds and socio-anthropological theories of state formation also shore up the research. This exercise uncovers the nuanced nature of these practices which take forms ranging from benign to brutal, including: assimilation, appropriation, predation, extraction, coercion. The results point to the presence and persistence of rentier practices in early Roman society.

This research augments the understanding of wealth generation and expenditure in early Rome by introducing an economic framework, rentierism, that offers a novel approach to exploring those processes.

Frontispiece

Early Rome as seen by Romans.[1]



Early Rome as seen by her neighbors.[2]

[1] Ancient Roman Farmer, http://ancientromanfarmer.weebly.com/.
[2] Detail on Trajan's Column, an Ancient Column on the Streets of Rome near the Colosseum and in Trajan's Forum, Stock Photo, Alamy Limited https://www.alamy.com/detail-on-trajans-column-an-ancient-column-on-the-streets-of-rome-near-the-colosseum-and-in-trajans-forum-image332446698.html.

Dedication

Matri carissimae in aeternum graditudinis momentum consecratur a filio reverente atque diligentissiae amicae Mariae.

Acknowledgments

Dr. Lonnie Johnson, for his constant nagging, Reginald Foster OCD, for his Ciceronian inspiration, Dr. Cristiana Sogno, for opening the door, Dr. Ariane Liazos, for her careful, initial advice and suggestions, and Dr. Emma Dench, for her inexhaustible enthusiasm and depth of knowledge so willingly shared, keen observations, patience and guidance.

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Chapter I.

Introduction

My thesis advances the notion that in the period between 650 and 450 BCE the Romans accumulated much of the wealth needed for both their defense and expansion from rents, that is, from wealth that they themselves did not directly produce. Such a claim implies that it was not capital investment, innovation, risk-taking or hard work – things that are most often associated with wealth creation – that enabled the city-state to take its very first steps upwards.

This offers quite a new approach to understanding how Rome grew rich. It goes deeper than traditional approaches that focus on the standard, easily observable forms of wealth creation, such as farming, mining, trade, etc. Here, I explore something far more subtle – the mentality that determined the nature of that wealth and established how it was obtained and distributed. This approach introduces a calculus that allows estimation of wealth that does not result from 'productive' activities as defined by traditional methods. I contend that, between 650 – 450 BCE, the driving force of Rome's economy migrated from agriculture to rentierism. In fact, it was the Romans' unique ability to extract wealth from others who possessed or could create it, not produce it themselves, that allowed them to dominate their neighbors. Rome's genius was its ability to create the world's first diversified rentier economy, distinguishing itself thus from earlier and later empires. The Vatican State and the Mafia may be the only other somewhat comparable examples.

This paper proposes a view of Rome that stands in stark contrast to those traditional accounts that assume agriculture was the anchor and driver of the Roman economy during the period under review. That view ignores the fundamental changes that characterized the era. Furthermore, there is a general consensus that the economy was embedded into all other aspects - political, social, religious, legal, military - of the city-state's life. This leads to an inconsistent position. When all the other elements in which the economy was embedded were undergoing dramatic change, (the political element from monarchy to republic; the social element with the re-ordering of the elite and the rise of the plebs; the religious element with the introduction of new practices; the legal element with the introduction of the Twelve Tablets and so on) how is it possible that the role of agriculture in the economy did not also shift, embedded as it was in that protean world? I argue that it did, indeed, and as a consequence agriculture's importance in wealth creation receded far into the background.

Rome's manner of gathering wealth differed from other ancient empires. Carthage built its wealth through trade.[3] Athens grew rich also thanks to trade, as well as exporting, manufacturing and mining.[4] In Egypt the sources of wealth came from precious metals mining, favorable natural circumstances and extracting the fruits of serfdom.[5] But Rome conducted relatively little trade. Before the acquisition of silver mines in the Iberian

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[3] Pedro Barceló, "Punic Politics, Economy, and Alliances, 218–201," in *A Companion to the Punic Wars* (Oxford, UK: Wiley-Blackwell, 2011), 357–75, https://doi.org/10.1002/9781444393712.ch.20.
[4] Moses Finley, *The Ancient Economy* (Berkeley: University of California Press, 1999), 131, http://nrs.harvard.edu/urn-3:hul.ebookbatch.ACLS_batch:MIU01000000000000003603077: "a genuinely "mixed" economy, agrarian, manufacturing and commercial together."
[5] Juan Carlos Moreno García, "La dépendance rurale en Égypte ancienne," *Journal of the Economic and Social History of the Orient* 51, no. 1 (2008): 137, https://doi.org/10.1163/156852008X287567. Juan Carlos Moreno Garcia, "Acquisition de Serfs Durant La Première Période Intermédiaire: Une Étude d'histoire Sociale Dans l'Égypte Du IIIe Millénaire," *Revue d'Égyptologie* 51 (2000): 123–39, https://doi.org/10.2143/RE.51.1.504319.

Peninsula, there was no precious metal mining on the scale of Athens' Laurion silver mines.[6] Manufacturing, export and trade were all in their infancy as testified by the fact that Rome was not minting the coinage needed to facilitate trade until around 300 BCE.[7] Moreover, the distribution of natural endowments in central Italy along with Rome's rather primitive agricultural technologies ensured that the free Roman farmers were never able to produce the kinds of agricultural surpluses generated by the disenfranchised masses of Egypt.[8] Yet, Rome built an empire that was more robust and far more widely flung than those three rivals.

I propose that it was more mentality than muscle, more capture than capital, more ruthlessness than resources that powered Rome forward. The mentality at work is technically referred to as rentierism; a full definition is given below. Rentier practices and mentality were not unique to Romans, however. By the early 7th century most of Rome's neighbors, the Sabines, Albans, even Etruscans lived in what Douglass North describes as 'natural states.'[9] In such societies rent is an essential element of social and economic life. But I maintain that Rome was unique in its creative, inventive, always practical, at times brutal and ultimately highly successful management of rentier opportunities.

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[6] J. S. Richardson, "The Spanish Mines and the Development of Provincial Taxation in the Second Century B.C.," *Journal of Roman Studies* 66 (November 1976): 141, https://doi.org/10.2307/299785. He cites Brunt and Badian to substantiate the claim that: "from the time of Cato's consular governorship of Hispania Citerior in 195 the exploitation of the mines was undertaken on behalf of the state by the societates publicanorum."
[7] Seth Bernard, "The Social History of Early Roman Coinage," *Journal of Roman Studies* 108 (November 2018): 1, https://doi.org/10.1017/S0075435818000497. "Recent syntheses of the mid-republican economy stress abundant change in the structure of land tenure and the scope of trade beginning around 300 B.C."
[8] Antonio Loprieno, "Slavery and Servitude," *UCLA Encyclopedia of Egyptology* 1, no. 1 (November 21, 2012), https://escholarship.org/uc/item/8mx2073f.
[9] Douglass C. North, *Structure and Change in Economic History*, 1st ed. (New York: Norton, 1981), 30.

This paper explores some of the ways in which Rome used and created rents to surpass its neighbors and engineer its path to power. It creates an alternatively focused lens through which one can view the story of early Rome in a new and challenging light.

Chapter II.

Foundations of a New Framework

> The ancient economy was primarily agricultural. Most producers in all periods worked primarily on the land, and they consumed the bulk of their own produce. This is, I think, now commonly agreed.[10]

This opinion is indeed held by the vast majority of researchers today and justifiably so; it is true enough. The tenet, however, tends rather to short-circuit investigation than to promote it. It ties scholars, as it were, to the land.

If economics is the study of how a group 1) goes about providing itself with the basic material essentials of life and 2) how it increases wealth beyond that to improve its material situation, then the statement cited above maroons researchers on the first item and offers little room to explore the second. True, Rome fed, clothed and housed itself on the back of an agricultural economy, but just barely. Equally well-established is the fact that nearly 90 percent of its population was engaged in agricultural activities, a measure of its inefficiency.[11] But those collective efforts did not produce the wealth Rome needed rise up and take its first, often quite modest but collectively significant, steps to empire.[12]

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[10] Peter Garnsey, C. R. Whittaker, and Keith Hopkins, *Trade in the Ancient Economy* (Berkeley: University of California Press, 1983), x.

[11] Walter Scheidel, *The Cambridge Companion to the Roman Economy*, Cambridge Companions to the Ancient World (Cambridge, United Kingdom; New York: Cambridge University Press, 2012), 246.

[12] Perhaps the best example of the confusion between the nature of an economy and the sources of revenue it produces is found in A.H.M Jones he where states flatly the Roman economy was agricultural yet only one page later he gives examples of how people accumulated wealth in that economy and none of them are engaged in agriculture. A. H. M. (Arnold Hugh Martin) Jones, *The Roman Economy: Studies in Ancient Economic and Administrative History* (Oxford [Eng.]: Blackwell, 1974), 135–36.

This thesis takes a new approach to examining wealth creation in early Rome. It relies on the works discussed below and accepts Polanyi's and Finley's notion that the Roman economy was deeply embedded in its political, social, legal, military and religious structures. But it takes the argument a good step forward and in a new direction. If the economy was indeed embedded, all of these structures were as much a part of the 'economy' as was agriculture. They conjointly created wealth; focusing attention on just one sector misses out on a great deal of wealth creation. Rome did not achieve dominance on the back of a subsistence agricultural economy. I argue that the Roman State, between the beginning of the 7th to the middle of the 5th century BCE became an inventive, efficient and powerful creator of rents and it was these that funded its initial ascent.

Scholarship relevant to my work comes from many and various quarters. Important work is provided by philologists, legal experts, archeologists, sociologists, classicists, political scientists and economists. In order to keep this review of the contributions of such a wide band of researchers to a reasonable dimension, I focus attention on the work they have done relating to private property rights and other notions related to rentierism, while highlighting where I differ from or hope to extend their findings.[13]

The Pioneers

In a book published in 1776 that became the cornerstone of modern economics, Adam Smith observed that the creation of private property and its associated rights are

[13] Translations of longer Latin passages are from Loeb; shorter ones, and those in Greek, German, French, and Italian are my own.

the foundations of rent.[14] David Ricardo expanded the concept to include sources of rent beyond land.[15] Economists were busy with the subject during the entire 19th century: Malthus in 1815, J.S. Mill in 1848 and Marshall in 1890.[16] And not just the English; many others, especially the French, were engaged in the pursuit.[17] Collectively their work conceded to rent a central position in economic analysis. Foundational as it is, their work is abstract and narrowly applicable to economics. I intend to explore the social, political and institutional dimensions of rent.

The Philologists

The tireless efforts of philologists, especially German, in the 19th and continuing well into the 20th, did not focus directly on economic concepts like rent. But their remarkable industriousness and dedication produced a warehouse of tools that enable a researcher to understand the ancient context of such concepts. Barthold Georg Niebuhr's

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[14] Adam Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations* (University of Chicago Press, 2008), Book I, Ch. VI.

[15] David Ricardo, *On the Principles of Political Economy, and Taxation. 2d. Ed.*, (London: J. Murray, 1819), 47 ff, http://link.gale.com/apps/doc/U0103512756/MOME?sid=bookmark-MOME&xid=53fbbf78&pg=1.

[16] T. R. Malthus, *An Inquiry into the Nature and Progress of Rent, and the Principles by Which It Is Regulated* (Project Gutenberg), http://www.gutenberg.org/ebooks/4336; John Stuart Mill, *Principles of Political Economy ; with Some of Their Applications to Social Philosophy* (New York: D. Appleton and Company, 1901), 513–34, http://nrs.harvard.edu/urn-3:HUL.FIG:003372561; Alfred Marshall, *Principles of Economics; an Introductory Volume,* 8th ed. (London: Macmillan and co., limited, 1920), 51,74,144. passim.

[17] Jean-Charles-Léonard Simonde de Sismondi, *Nouveaux Principes d'économie Politique; Ou, De La Richesse Dans Ses Rapports Avec La Population*, vol. 1 (Paris: Chez Delaunay, 1819), 49, footnote 2."Cette partie de la rente foncière est celle que les Economistes ont decorée du nom du produit net comme étant le seul fruit du travail qui ajoutât quelquechose à la richesse nationale. On pourrait au contraire soutenir contre eux, que c'est la seule partie du produit du travail, dont la valeur soit purement nominale, et n'ait rien de réelle: c'est en effet le resultat de l'augmentation de prix qu'obtient un vendeur en vertu de son privilege, sans que la chose vendue en vaille réellement d'avantage." "This part of ground rent is that which the Economists have adorned with the name of net product as if it were only a fruit of labor that added something to the national wealth. On could, on the contrary, maintain against their position that it is rather a part of the product of labor, whose value is purely nominal and is not real: it is in effect the result of the increase in price that the seller obtains, in virtue of his privilege, without the thing sold being in reality worth that increase in price."

short remark, “The Roman history is a whole”, unleashed a long tradition.[18] This tradition was driven by a desire to develop an understanding of the ancient world in its “totality”.

Theodor Mommsen, the giant among these philologists, set for this group a lofty target:

> Die Schilderung des Menschen in seiner **Ganzheit** und die Verflechtung dieser einzelnen, in sich fertigen Gestalten zu einer höheren poetischen Totalität… den Menschen darzustellen wie er ist… mehr ein logischer und in gewissem Sinn ein geschichtlicher als ein dichterischer Fortschritt.
>
> The depiction of Man in his entirety and the intertwining of these separately constituted figures into a higher poetical totality…(the depiction) of Man as he is...is more a logical and in a certain sense more an historical advancement than literary.[19]

The end result of these visions and the Herculean efforts in service to them is a collection of works that are essential to building a solid understanding of the classical world and pave the way for the multidisciplinary approach that my paper will undertake.[20] On the other hand, the drive to understand everything (das Ganze) runs the risk of understanding nothing, unless the innumerable details are woven together (Mommsen’s ‘Verflechtung’) into some metanarrative, which for this group of

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[18] Barthold Georg Niebuhr, *Lectures on Roman History: Delivered at the University of Bonn, from the Edition of Dr. M. Isler*, B.G. Niebuhr’s Historical Lectures (London: A. Fullarton, 1850), 75.
[19] Theodor Mommsen, *Rőmische Geschichte Book* 3, Project Gutenberg (2002), https://www.gutenberg.org/ebooks/3062. My highlighting.
[20] Paul von Rohden Elimar Klebs, *Prosopographia imperii romani saec I. II. III.* (apvd Georgivm Reaimervm, 1897), http://archive.org/details/prosopographiai00dessgoog; Theodor Mommsen, *Abriss des römischen Staatsrechts*, Neue ungekürzte Ausg. mit einem neuen Namen-und Sachregister nach der 2. Aufl. von 1907. (Darmstadt: Wissenschaftliche Buchgesellschaft, 1982); Niebuhr, *Lectures on Roman History*; August Friedrich von Pauly, *Paulys Real Encyclopädie der classischen Altertumswissenschaft; neue Bearbeitung ... unter Mitwirkung zahlreicher Fachgenossen hrsg. von G. Wissowa ..* (Stuttgart: J.B. Metzler, 1894); *Corpus inscriptionum Latinarum, consilio et auctoritate Academiae litterarum regiae borussicae editum* (Berolini: Georgium Reimerum, 1881).

scholars was usually nationalistic Romanticism. My approach differs; it is, briefly, a good deal more deductive.[21]

Max Weber

Thanks to the many significant works of Max Weber, the social sciences found a firm theoretical and methodological footing in the first decades of the 20th century. To the field of classical studies, he introduced sociological methodology and framework and, importantly for my work, he looked deeply into the nature of private property. An esteemed classicist of later vintage, Arnaldo Momigliano, notes his importance:

> The whole question of the historical development of private property had obviously taken a new turn in these researches about survivals of collectivist institutions in modern villages of Europe. We can now say that it was one of the most momentous changes in our understanding of ancient civilizations.[22]

Further, Weber introduced the concept of 'ideal-types' to characterize social formations which was an approach embraced whole-heartedly by Moses Finley. Weber touched, but only lightly, on the subject of rent.[23] Discussing the property class he notes: "Positively privileged property classes are typically *rentiers*."[24] Yet, Weber never

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[21] Lest this section be a paean to Teutonic scholars only, a great Italian historian should be mentioned here also. Arnoldo Momigliano wrote a host of significant works from a somewhat different perspective, being, all the while, in the words of a French reviewer, 'cast from the same mold as the Germans.' J.L. Gaugier writes of him: " Il ne cherche qu'à savoir ce qui s'est passé en vérité. Sa pensée ne vise que la réalité historique."J.L. Laugier, "Arnaldo Momigliano, Terzo contributo alla storia degli studi classici e del mondo antico (Storia e letteratura, raccolta di studi e testi)." *Revue des Études Anciennes*, Tome 71, n°1-2 (1969):221-2. https://www.persee.fr/doc/rea_0035-2004_1969_num_71_1_3838_t1_0221_0000_3; Tim Cornell and Oswyn Murray, *The Legacy of Arnaldo Momigliano*, Warburg Institute Colloquia 25 (London: The Warburg Institute, 2014).

[22] Arnaldo Momigliano, "From Mommsen to Max Weber," *History and Theory* 21, no. 4 (1982): 16–32, https://doi.org/10.2307/2505018.

[23] Max Weber, *Gesammelte Aufsätze Zur Sozial- Und Wirtschaftsgeschichte* (Tübingen: Mohr, 1924), 195. "Die Spartiaten sind Rentner; keine Gutsherren." "The Spartans were rentiers, not manor lords."

[24] Max Weber, *Economy and Society: An Outline of Interpretative Sociology* (Berkeley ; Los Angeles ; London: University of California Press, 1978), 303.

developed his insights in this area. The master of creating ideal-types did not produce one of a rentier society. I propose to do so.

Marx and the Neo-classical Economists

Marx's conviction of the inevitable disappearance of private property and the neo-classicists belief that competitive markets would eliminate rents led them both to view rent as a temporary and moribund phenomenon. The tremendous influence of both these schools of thought nearly banished rent from mainstream economic research and *a fortiori* from ancient economic work. Their predictions, however, proved woefully inaccurate. I set out to demonstrate that the phenomenon on which they imposed a death sentence is in fact central to explaining economic behavior - specifically in the context of the early days of Rome.

Rostovtzeff

Rostovtzeff dragged rent out of the closet and dusted it off a bit.[25] But that was not his focus. He concentrated his efforts on placing capitalism at the heart of the Roman economy.[26] Peter Bang ribs him a bit for that: "Modernizing interpretations of the Greco-Roman world, in the style of Rostovtzeff, then came fully equipped with capitalist entrepreneurs, a strong merchant bourgeoisie, and the commercial wars familiar from the much later age of mercantilism."[27] I will argue to the contrary pointing out that the drivers of a capitalistic system, namely, risk-taking, innovation and capital formation are

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[25] Michael Ivanovitch Rostovtzeff, *The Social & Economic History of the Roman Empire* (Oxford: The Clarendon Press, 1926), 36,59,185.
[26] Rostovtzeff, 145.
[27] Peter Bang, "The Ancient Economy and New Institutional Economics," *Journal of Roman Studies* 99 (November 2009): 195, https://doi.org/10.3815/007543509789744783.

largely absent through Rome's history and their absence is in large part due to a pervasive rentier mentality.

Polanyi and Finley

Karl Polanyi introduced the notion that primitive economies were shaped and motivated by social custom, values, hierarchy and institutions. He named this situation 'embeddedness'.[28] It opened a new door to interpreting ancient economies and it was an opening through which Moses Finley rushed stealthily.[29] He, too, saw the importance of social realities in the economic realm and came to the conclusion that 'status' was the central force structuring economic matters from very early times.[30] His success at convincing scholars of this has been nothing short of astonishing. Three of the best contemporary researchers remark:

> Professor Finley's elevation of status (The Ancient Economy, Chapter III) ...was an attempt to recognize a problem: classical man did not behave like economic man. There was in ancient society no moral reinforcement for productive investment, nor for profit maximization; no heavenly salvation was promised to the puritanical saver.[31]

They conclude that the Finley model "is by far the best model available.[32]

The word rentier, however, does not appear in *The Ancient Economy.* But when discussing the lack of technical innovation in ancient economies he points his finger directly at rentier mentality:

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[28] Karl Polanyi, *The Livelihood of Man*, Studies in Social Discontinuity (New York: Academic Press, 1977), 34.
[29] Moses Finley, *The World of Odysseus*, 2nd ed., (London: Chatto and Windus, 1977). Throughout his works Finley makes thin mention of Polyani.
[30] Finley, *The Ancient Economy*, 51. One needs to mention, however, that the term and idea are straight out of Weber, *Economy and Society,p.305*.
[31] Garnsey, Whittaker, and Hopkins, xiii.
[32] Garnsey, Whittaker, and Hopkins, xiv.

> But there is nothing mysterious about this "stagnation", no serious reason for disbelief: large incomes, absenteeism and its accompanying psychology of the life of leisure, of land ownership as a non-occupation, and when it was practiced, letting or sub-letting in fragmented tenancies, all combined to block any search for radical improvements.[33]

Here Finley has the 'tiger by the tail' so to speak. He tacitly recognizes the existence of a rentier class but takes it no further. He was comfortable with a squirearchy of rentiers but did not have the framework to recognize that, for example, the state itself might enjoy huge rents from its monopolistic position as a provider of protection.

The enormous influence of Finley's work and his simplistic treatment of rent may help explain why none of his followers took up the notion seriously. While his insights tend to neutralize 'homo oeconomicus', they do not eliminate the creature all together. Finley leaves us with a fuzzy, subjective and constantly changing driver of (economic) behaviors, namely, status. In my effort to track wealth accumulation I go beyond status. Alongside the moveable feast, or famine, of status I believe there are constants. One example, greed. Another, a natural desire to minimize the efforts needed to gain wealth while maximizing the likelihood of keeping it.[34] Finally, the unfortunate truism 'homo homini lupus est'. Status, as important as it may be, does not extinguish these ever-present forces.

Douglass North and the New Institutional Economics

In his 1993 Nobel Prize acceptance speech, Douglass North outlines with remarkable precision, eloquence and modesty his approach and contributions to the study of economic history.

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[33] Finley, *The Ancient Economy*, 109.
[34] Polyani, 21: "an entity of the mind, subject to the norm of maximum results at minimum expense."

> I quickly became convinced that the tools of neo-classical economic theory were not up to the task of explaining the kind of fundamental societal change that had characterized European economies from medieval times onward. We needed new tools, but they simply did not exist.
>
> So, I began to explore what was wrong. Individual beliefs were obviously important to the choices people make, and only the extreme myopia of economists prevented them from understanding that ideas, ideologies, and prejudices mattered.[35]

In 1990 he published a book entitled *Institutions, Institutional Change and Economic Performance* which quickly became the '*Summa Theologica'* of the so-called New Institutional Economics (NIE) - a school that offers a decidedly original approach to understanding economies modern and ancient.[36]

In his very last publication (with an almost preposterous subtitle) he and the co-authors propose a conceptual framework that seeks to explain how societies, both modern and ancient, "have used the control of political, economic, religious, and educational activities to limit and contain violence." This, they argue, results in states that "use the political system to regulate economic competition and create economic rents; the rents order social relations."[37] Their framework greatly supports the notion that rents were likely a driving force in Rome from its very earliest days.

Peter Bang, an economic historian of Rome and a leading proponent of the New Institutional Economics, points out the usefulness of this new approach to both economists and historians: "If neo-institutional economics can be seen as an attempt to bring history to the attention of economists, it may equally well be a way to make

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[35] Douglass C. North, "The Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel 1993," NobelPrize.org, https://www.nobelprize.org/prizes/economic-sciences/1993/north/biographical/.
[36] Douglass C. North, *Institutions, Institutional Change and Economic Performance*, Political Economy of Institutions and Decisions (Cambridge ; New York: Cambridge University Press, 1990).
[37] Douglass C. North, *Violence and Social Orders: A Conceptual Framework for Interpreting Recorded Human History* (Cambridge ; New York: Cambridge University Press, 2009), xi–xii.

economic theory serve the interests of historians**;** it is situated at the crossroads of the two disciplines."[38]

Not surprisingly, their work leads them to the reality of rents: "Traditionally peasants have only directed a relatively small part of their production to the market. In historical perspective, various politically extracted rents have been far more important in mobilizing the agricultural surplus."[39]

In the end, I part ways with North and the NIE on the matter of causality. Whereas they tend to see institutions shaping rentier behavior, I see rentier behavior shaping institutions.[40]

Anne Krueger, Public Choice, Neo-Marxists

This trio salvaged the concept of rent from neglect; Anne Krueger led the rescue.[41] Her contribution is discussed later. Political scientists like Gordon Tullock and Robert Tollison applied the concept fruitfully to public choice economics.[42] Finally, these expanded notions of rent and rent seeking have proved fertile ground for those engaged in uncovering the shortcomings of modern-day capitalism.[43] These efforts prop up my own insofar as they highlight the importance of rent and extend the definition and application

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[38] Peter Fibiger Bang, "The Ancient Economy and New Institutional Economics," *Journal of Roman Studies* 99 (November 2009): 197, https://doi.org/10.3815/007543509789744783.
[39] Bang, "Trade and Empire In Search of Organizing Concepts for the Roman Economy," *Past & Present* 195, no. 1 (May 1, 2007): 26. https://doi.org/10.1093/pastj/gtl031.
[40] Bang, "The Ancient Economy and New Institutional Economics", 204-5.
[41] Anne O. Krueger, "The Political Economy of the Rent-Seeking Society," *The American Economic Review* 64, no. 3 (1974): 291–303.
[42] Gordon Tullock, *The Rent-Seeking Society*, Gordon Tullock, Works, Selections. 2005 ; v. 5 (Indianapolis, Ind.: Liberty Fund, 2005); Robert D. Tollison, "The Economic Theory of Rent Seeking," *Public Choice* 152, no. 1 (July 1, 2012): 73–82, https://doi.org/10.1007/s11127-011-9852-5.
[43] Mariana Mazzucato, *The Value of Everything: Making and Taking in the Global Economy*, First US edition. (New York: Public Affairs, 2018); Mariana Mazzucato, "Takers and Makers: Who Are the Real Value Creators?," *Evonomics* (blog), (June 27, 2019), https://evonomics.com/value-of-everything-mariana-mazzucato/.

of the concept. But I dismiss many of the conclusions of these researchers, especially the more recent ones, because they often misspecify exactly what rent is, confusing it with simple revenue. This is especially true of the very limited work on rent seeking that focuses on ancient Greece and Rome.[44]

The Growth Gang

Over the past three decades there has been a concerted effort on the part of classicists and economists to discover and quantify the degree to which the Roman economy produced real economic growth (almost always understood as 'per capita growth'[45]). An amazing group of scholars has been, and continues to be, engaged in this project. The list is long. Among the most important would be: Peter Garnsey, R.B. Hitchner, Keith Hopkins, Ian Morris, Richard Saller, Walter Scheidel, Peter Temin.[46]

Their work is particularly insightful to the degree it introduces novel types of model-building and quantitative analysis.[47] They manage to find pockets of economic growth here and there and argue that there may be a great deal more to discover. I am not,

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44 Charles D. DeLorme, Stacey Isom, and David R. Kamerschen, "Rent Seeking and Taxation in the Ancient Roman Empire," *Applied Economics* 37, no. 6 (April 10, 2005): 705–11, https://doi.org/10.1080/0003684042000323591; George Tridimas, "Rent Seeking in the Democracy of Ancient Greece," in *Companion to the Political Economy of Rent Seeking*, by Roger Congleton and Arye Hillman (Edward Elgar Publishing, 2015), 444–70, https://doi.org/10.4337/9781782544944.00034. Both these authors confound revenue, taxation, tribute and rent. Taxation is not rent, for example, if the amount of tax collected corresponds closely to the cost or benefit of the good or service provided thereby.

45 Garnsey, Whittaker, and Hopkins, *Trade in the Ancient Economy*, xvi. Their work for the most part tests Hopkin's claim that "average productivity per capita, the average amount produced by each person, engaged in agricultural and non-agricultural production,rose."

46 Peter Garnsey, *The Roman Empire: Economy, Society, and Culture* (Berkeley: University of California Press, 1987); Robert Hitchner, "Olive Production and the Roman Economy: The Case for Intensive Growth in the Roman Empire," in *The Ancient Economy* (Edinburgh University Press, 2002); Keith Hopkins, "Rome, Taxes, Rents and Trade," in *The Ancient Economy* (Edinburgh University Press, 2002); Joseph Gilbert Manning and Ian Morris, *The Ancient Economy: Evidence and Models*, Social Science History (Stanford, Calif.: Stanford University Press, 2005); Peter Temin, *A Market Economy in the Early Roman Empire*, Discussion Papers in Economic and Social History ; No. 39 (Oxford: University of Oxford, 2001).

47 Joseph Gilbert Manning and Ian Morris, *The Ancient Economy: Evidence and Models*, Social Science History (Stanford, Calif: Stanford University Press, 2005).

however, strongly convinced by their conclusions. Rentier practices that I believe prevailed in Rome are antithetical to growth and this can nicely explain the overall low, per capita growth rate that Ancient Rome experienced throughout nearly all of its existence.

Beblawi and the Rentier Economists

From the ashes, as it were, of Adam Smith's and David Ricardo's theories on rent and upon the shoulders of Anne Krueger's insights, a new field of economic enquiry took root and blossomed in the late 1980's. It became known as 'rentier economics'. Hazem Beblawi set things in motion with an article published in 1987 entitled "The Rentier State in the Arab World"[48]. The work ignited a great many further studies exploring the nature and structure of economies that are highly dependent on rents. The initial focus was placed on oil-rich economies but has been expanded to analyze different kinds of economies around the world.[49] The upshot of all this is that Rentier State Theory (RST) has become accepted as a sound theoretical and methodological framework among

[48] Hazem Beblawi, "The Rentier State in the Arab World," *Arab Studies Quarterly* 9, no. 4 (Fall 1987): 383–98.

[49] Diego Andreucci et al., "'Value Grabbing': A Political Ecology of Rent," *Capitalism Nature Socialism* 28, no. 3 (July 3, 2017): 28–47, https://doi.org/10.1080/10455752.2016.1278027; Djamchid Assadi, *La rente en République islamique d'Iran: les mésaventures d'une économie confisquée*, Collection l'Iran en transition (Paris: Harmattan, 2012); Martin Beck, "Der Rentierstaats-Ansatz und das Problem abweichender Fälle," *Zeitschrift für Internationale Beziehungen* 14, no. 1 (2007): 43–70, https://doi.org/10.5771/0946-7165-2007-1-43; Chick, Martin, *8 Property Rights, Economic Rents, BNOC, and North Sea Oil*, https://learning.oreilly.com/library/view/reappraising-state-owned-enterprise/9780415878326/Text/Chapter08.xhtml; Carlos Gervasoni, *Hybrid Regimes within Democracies: Fiscal Federalism and Subnational Rentier States* (Cambridge, United Kingdom ; New York, NY: Cambridge University Press, 2018); Brink Lindsey, *The Captured Economy: How the Powerful Enrich Themselves, Slow down Growth, and Increase Inequality* (New York, New York: Oxford University Press, 2017); Mazzucato, *The Value of Everything*; Tak-Wing Ngo and Yongping Wu, *Rent Seeking in China*, Routledge Contemporary China Series 37 (Abingdon, Oxon ; New. York, NY: Routledge, 2009); Jathan Sadowski, "The Internet of Landlords: Digital Platforms and New Mechanisms of Rentier Capitalism," *Antipode* 52, no. 2 (2020): 562–80, https://doi.org/10.1111/anti.12595.

economists and political scientists. This framework will be discussed and developed in greater detail below. It offers promise for my project. It lays out an approach to analyzing wealth accumulation that is dramatically different from traditional methods and seems quite a bit more appropriate and better suited to the realities of early Rome.

Archeology and State Formation

Archeology and state formation seem to have made a happy union. Corpses that lay for millennia under the ground may help us understand changes that took place when they were living and breathing. Writing about the so-called 'Latial phase IV' (730 – 580 BCE), Timothy Cornell writes: "The appearance at this time of exceptional wealth in some of the tombs points to the beginnings of permanent social stratification and the emergence of a dominant aristocracy. The changes are documented, as before, by the evidence of cemeteries."[50] Elsewhere he notes: "The appearance of chamber tombs and the spread of the gentile-name system indicate the formation of dominant clans that had succeeded in concentrating the surplus of the community into its own hands and in perpetuating its dominance through inheritance."[51] These, as will be seen later, are necessary preconditions for the emergence of rentierism.

Recently, archeologists have turned their attention to the new theoretical developments regarding the origins of early states. They use an approach that is interdisciplinary and comparative and seeks to break free from traditional development

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[50] Tim Cornell, *The Beginnings of Rome: Italy and Rome from the Bronze Age to the Punic Wars (c. 1000-264 B.C.)*, Routledge History of the Ancient World (London ; New York: Routledge, 1995), 81.
[51] Kurt A. Raaflaub, *Social Struggles in Archaic Rome: New Perspectives on the Conflict of the Orders*, Expanded and updated edition, 2nd edition (Malden, MA: Blackwell Pub., 2005), 54–55.

paradigms.[52] Nicola Terrenato, a pioneer in this effort, explains: "Leaving strong teleological assumptions by the wayside, and focusing instead on the actual agents in the process and on their mentality, may hold the key to opening new insights on the nature of archaic power among these communities."[53]

Fortunately for my project some of the best work of this new approach has been focused on the ancient Mediterranean and especially central Italy and Rome.[54] "Rome in particular can be used as a very illuminating example of the role that elite agents and groups can carve out for themselves in the state formation process"[55]

These works do not go so far as to suggest the existence of archaic, rentier states. They do, however, strongly suggest that the manner in which early states formed, and in particular those in central Italy, resulted in social conditions which were highly conducive to the formation of such states. Along with the findings of Douglass North and the new institutional economists, I will make use of these archeological arguments to support my own case for the emergence of rentier behavior and practices in early Rome.

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[52] David B. Small, "The Dual-Processual Model in Ancient Greece: Applying a Post-Neoevolutionary Model to a Data-Rich Environment," *Journal of Anthropological Archaeology* 28, no. 2 (June 2009): 205–21, https://doi.org/10.1016/j.jaa.2009.02.004; Andrea Vianello, "Archaic State Interaction: The Eastern Mediterranean in the Bronze Age", Edited by William A. Parkinson & Michael L. Galaty, *Cambridge Archaeological Journal* 21, no. 1 (February 2011): 159–61, https://doi.org/10.1017/S0959774311000205.

[53] Nicola Terrenato and Donald C. Haggis, *State Formation in Italy and Greece: Questioning the Neoevolutionist Paradigm* (Oxford ; Oakville, CT: Oxbow Books, 2011), 232.

[54] Matthew C. Naglak and Nicola Terrenato, "Central Italian Elite Groups as Aristocratic Houses in the Ninth to Sixth Centuries BCE," in *Roman Law before the Twelve Tables* (Edinburgh University Press, 2020), https://doi.org/10.3366/edinburgh/9781474443968.003.0003; A. Guidi, "The Emergence of the State in Central and Northern Italy," *Acta Archaeologica* 69 (1998): 139–61.

[55] Terrenato and Haggis, *State Formation in Italy and Greece*, 232.

Chapter III.

Rent and Rent Seeking

You must pay the Rent!

You must pay the Rent!

-Snidely Whiplash

Figure 1. “You must pay the Rent!”[56]

This chapter offers a definition of the concept of rent and discusses its often-overlooked importance. It traces the historical path and ever-increasing sophistication of the notion. The concept of rent seeking is also defined and illustrated by example. One will see that rent exists in nearly all economic systems - in some it is central. And since it is a source of wealth, it is eagerly sought after.

[56] “4224474_2.Jpg (JPEG Image, 1200 × 630 Pixels) — Scaled (97%),” https://res.cloudinary.com/teepublic/image/private/s--AT2G1Lw1--/t_Preview/b_rgb:ffffff,c_lpad,f_jpg,h_630,q_90,w_1200/v1550429089/production/designs/4224474_2.jpg.

Rent

A Definition of Rent

Rent is a form of wealth that accrues to a person or entity which comes about due to natural scarcity, government actions or private initiatives. The person or entity receiving this wealth has no direct involvement in its production; it is not newly-created wealth, it is the extraction of existing wealth. Or, more simply, rent is that portion of wealth one receives, that one had no hand in creating.

The simplest example is that of a monopoly. The government, say, gives a single firm a monopoly on the sale of salt. Responding to the absence of competition, the firm raises prices above the previously prevailing level. That additional amount is rent. The firm did nothing to create it. The monopoly did that.

Rents can be at times benign and even beneficial, at times pernicious.[57] Factory workers close ranks and form a local, quasi-monopoly on labor provision allowing them to demand a wage higher than would pertain otherwise. The government grants product liability immunity to vaccine providers which enormously increases their returns. The opportunity to capture rents results from a variety of sources: ownership of a scarce resource, collective action, private property rights, dominant market position, government or privately created monopolies, patents, military or political domination, violence monopolies, innovation.

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[57] Brink Lindsey, *The Captured Economy: How the Powerful Enrich Themselves, Slow down Growth, and Increase Inequality* (New York, New York: Oxford University Press, 2017), 16-17. "Moreover, these rents are dynamically efficient. The quest for temporary monopoly profits encourages innovation…But rents can also arise from artificial scarcity."

Two clarifications: 1) rent is not identical to revenue. Many sources of revenue contain some rent, large or small. For instance, in the example of the salt monopoly above: if the price for a pound of salt was $1.00 before monopolization and is $1.50 after, and if the increase is entirely due to the elimination of competition, the seller receives a revenue of $1.50 of which 50 cents is a rent; 2) Rent is a concept. *A* rent is a quantifiable amount that results pursuant to a rent enabling convention, in this case monopolization. Monopolization creates the possibility for rent. Actions taken in response produce rents in identifiable amounts. In the example above, the 50 cents is *a* rent – if you like, the reification of the concept.

The Importance of Rent

Rent is a central economic concept and rents are a powerful economic reality. The idea is at times simple, at times sophisticated. It has grown ever more complex through time as economies themselves have become more complex.

In the field of economics, the notion of rent enjoys pride of place.[58] The father of modern economics, Adam Smith, dedicated a great deal of attention to the subject.[59] The concept was refined by David Ricardo and others and put to use in shaping government policies.

Later, in 1848, another great English thinker, John Stuart Mill underscored the importance of rent: "It is one of the cardinal doctrines of political economy; and until it

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[58] Roger D. Congleton, "The Political Economy of Rent Creation and Rent Extraction," in *The Oxford Handbook of Public Choice*, Volume 1 (Oxford: Oxford University Press,2019); 542-549. https://doi.org/10.1093/oxfordhb/9780190469733.013.26. "The theory of rent was among the first to be worked out in economics."
[59] Adam Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations* (University of Chicago Press, 2008), Book I, chap. xi, Of the Rent of Land.

was understood, no consistent explanation could be given of many of the more complicated industrial phenomena."[60] He labeled rent the "pons asinorum" of the science of economics which suggests that it has always been a sophisticated concept.[61]

The presence and understanding of rent expanded along with industrialization and the emergence of increasingly complex economies and was generalized to explain the dynamics of wealth creation beyond that of land.

The swing to marginal analysis which dominated economic research beginning around 1870 did not so much question the importance of rent as it predicted its ultimate demise.[62] Free market competition would drive a stake through its heart. For quite different reasons, both Karl Marx and John Maynard Keynes, strange bedfellows, also foresaw a dim future for rent and its ultimate disappearance. Reports of rent's death, however, proved premature. As the global economy grew, both states and corporations generated enormous rents: some beneficial, others much less so.[63] As a result, despite the expectations of political economists of any given ideology, rents not only persisted but popped up everywhere.

It is no surprise, then, that economists were moved to take a fresh look at the matter. In 1974 Anne Krueger published a paper on rent seeking which set off a storm

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[60] John Stuart Mill, *Principles of Political Economy: With Some of Their Applications to Social Philosophy* (J. W. Parker, 1848), 500.
[61] Mill, 509. For those unfamiliar with the term, I was myself, it is: "a critical test of ability or understanding." "Definition of PONS ASINORUM," https://www.merriam-webster.com/dictionary/pons+asinorum.
[62] Mark Blaug, Economic Theory in Retrospect. 4th ed. (Cambridge ; New York: Cambridge University Press, 1985), 550. "Rent is a surplus, determined by the gap between the average and the marginal product of labour."
[63] Kurt von Seekamm, *Rent Seeking and Human Capital: How the Hunt for Rents Is Changing Our Economic and Political Landscape* (London: Routledge, 2020), 11, https://doi.org/10.4324/9780429329166. "we need to quash this idea that rents are inherently bad or undesirable even though many seem to view them that way."

that is still raging today.[64] Of course, where there is rent seeking there must needs be rent. Her article has spawned thousands of efforts to discover, identify and classify rents that had theretofore caught little attention. The concept and importance of rent once again took center stage among economists. A leader of these efforts, Brett Christophers, states: “rent is a much more important phenomenon to contemporary capitalism than Marx or Keynes could ever have imagined and more than mainstream economics allows.”[65]

In the effort to understand how humans accumulate wealth one ignores rent at one’s own peril. Although the concept is sophisticated and subtle, as the following section explores, it is nevertheless central. Perhaps the complexity of the concept helps to explain why it has been largely untouched by scholars of the Ancient World.

Evolving and Expanding Dimensions

It was the conjecture, by Adam Smith, whereby land rent is the result of the creation of private property rights, that started the ball rolling. These rights, when enforced, make land a (local) monopoly and thus a scarce resource. “As soon as the land of any country has all become private property, the landlords, like all other men, love to reap where they never sowed, and demand a rent even for its natural produce.[66]

Ricardo went much deeper into the subject and developed a theory of land rent “based on the marginal productivity of land.”[67]

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[64] Anne O. Krueger, “The Political Economy of the Rent-Seeking Society,” *The American Economic Review* 64, no. 3 (1974): 291-303.
[65] Brett Christophers, “Class, Assets and Work in Rentier Capitalism,” *Historical Materialism* 29, no. 2 (March 19, 2021): 3–4, https://doi.org/10.1163/1569206X-29021234.
[66] Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations*, Book I, Ch. VI. Smith, like Marx, was not aware of the economic problem introduced much after their times dubbed ‘the tragedy of the commons’ which predicts the over-use and depletion of land in the absence of private property rights.
[67] Robert B. Ekelund, *A History of Economic Theory & Method*, Sixth edition (Long Grove, Ill.: Waveland Press, 2014), 385.

Relying a good deal on Smith and Ricardo, Karl Marx was quite busy with the concept of rent and in 1844 proposed, as Ricardo had done, a theory of rent.[68] He submits a definition of rent that is tailored to his foundational principle of 'surplus value.'

> In der Tat ist diese Produktenrente, soweit sie nicht dem Namen, sondern der Sache nach Rente ist, ausschließlich bestimmt durch den Überschuß des Preises des Produkts über seine Produktionskosten.69
>
> In fact, this product rent, insofar as it not only bears the name but is indeed rent, is entirely determined by the difference between the price of the product and the cost to produce it.

But his notion is tainted by an overarching ideological stance and an underwhelming methodological approach. As one of the most brilliant economists of the 20th century, Paul Samuelson, notes: "Marx understood the unproductiveness of landlords as people, but never showed sufficient grasp that the productivity of scarce land makes it inevitable that it should command a competitive rent."[70] Marx's definition of rent damned it to eventual disappearance. The exact opposite has happened.

In the late 20th century, the definition of rent expanded greatly. Economists took off their neoclassical blinders and discovered rents in places high and low.[71] A definition, that would seem to satisfy many, runs: "Rent is understood as income derived from the ownership, possession or control of scarce assets and under conditions of limited or no competition." [72] Enthusiasm for the concept has been unbridled, especially among neo-

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[68] Karl Marx, "Marx 1844: Rent of Land," *Economic & Philosophic Manuscripts of 1844,* https://www.marxists.org/archive/marx/works/1844/manuscripts/.
[69] Karl Marx, *Das Kapital: Band 1-3 (Mit einem detaillierten und dynamischen Inhaltsverzeichnis versehen),* e-artnow, 2018, https://books.google.com/books?id=t89iDwAAQBAJ; 1483.
[70] Paul A. Samuelson, "Marx on Rent: A Failure to Transform Correctly," *Journal of the History of Economic Thought* 14, no. 2 (ed 1992): 146, https://doi.org/10.1017/S1053837200004971.
[71] A fascinating application of Ricardian rent theory to the hair care industry in the U.S. Humberto Barreto, "Ricardian Rent Theory Revisited: A Modern Application and Extension". Best paper, Atlantic Economic Society Conference Williamsburg, VA October 11-14, 1990, passim.
[72] Christophers, "Class, Assets and Work in Rentier Capitalism", 5.

Marxists[73], and at times becomes a bit stretched. Mark Piketty, a leader in this group, tortures and twists the concept:

> Today, the rents produced by an asset are nothing other than the income on capital, whether in the form of rent, interest, dividends, profits, royalties, or any other legal category of revenue, provided that such income is simply remuneration for ownership of the asset, independent of any labor.[74]

A great deal of the world's wealth is included under this definition. Too much, in fact. He conflates rent with revenue, however, and by overextending the notion he undercuts its usefulness.

The Reputation of Rent

A curious aspect of this subject is that while no serious social scientist would deny the importance of rent, nearly every such commentator is more than ready to condemn rentiers[75]. The quote of Adam Smith above is just the start. Ricardo chimes in: "the condition of the labourer will generally decline, and that of the landlord will always improve."[76] For Marx, as one might expect, rentiers were among the very darkest of his bêtes noires: "the big proprietors, who with their comfortable incomes have mostly given themselves over to extravagance and for the most part are not competent to conduct large-scale agriculture."[77] Even John Maynard Keynes, an avowed anti-Marxist,[78] has

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[73] Andreucci et al., "Value Grabbing", 31.
[74] Thomas Piketty, *Capital in the Twenty-First Century* (Cambridge, MA: Harvard University Press, 2014), 535.
[75] Beblawi, "The Rentier State in the Arab World," Fall 1987, 383.
[76] David Ricardo, *On the Principles of Political Economy and Taxation*, 2nd ed., Goldsmiths'-Kress Library of Economic Literature ; No. 22322 (London: J. Murray, 1819), 98.
[77] Karl Marx, "Marx's Economic and Philosophic Manuscripts of 1844," https://www.marxists.org/archive/marx/works/1844/manuscripts/.
[78] John Maynard Keynes, *Essays in Persuasion* (London: Palgrave Macmillan UK, 2010), 258, https://doi.org/10.1007/978-1-349-59072-8. "the turbid rubbish of the Red bookshops".

little better to say about them: "Now, though this state of affairs would be quite compatible with some measure of individualism, yet it would mean the euthanasia of the rentier, and, consequently, the euthanasia of the cumulative oppressive power of the capitalist to exploit the scarcity-value of capital."[79]

It is an odd situation. Many economists past and present seem unable to free themselves from the framework of the Protestant work ethic.[80] They bristle at the thought that some are rich or get rich by means other than hard work and parsimony. This same bias is active, I believe, in much of the research devoted to ancient economies.

Rent Seeking

The existence and persistence of rents, since they offer a means of obtaining wealth, naturally attract attention and just as naturally generate a class of economic agents who seek them out. These actors are called 'rent-seekers'. To the degree that rents come about as a matter of course, rent seeking has always and will always be with us.

A Definition of Rent Seeking

Whilst the concept of rent can be complex, the definition of rent seeking is straightforward. Rent seeking is simply any effort undertaken by an entity or individual to create or capture a rent. It results in "the transfer of wealth, not the creation of wealth."[81]

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[79] John Maynard Keynes, *The General Theory of Employment, Interest and Money* (London: Macmillan, 1936), Ch. 24.
[80] Max Weber, *The Protestant Ethic and the "Spirit" of Capitalism and Other Writings*, Penguin Twentieth-Century Classics, The Protestant Ethic and the "Spirit" of Capitalism and Other Writings (Place of publication not identified: Penguin Books, 2002), 307.
[81] Seekamm, *Rent Seeking and Human Capital*, 7.

In the monopoly example above, any action taken by the producer to influence the government to institute a monopoly (bribes?) is correctly labeled 'rent seeking'. In the context of ancient Rome, since being awarded a provincial governorship offered the opportunity to extort wealth, all efforts to win that award can be described as rent seeking and those who undertake them rent seekers.

A Universal Practice

> Reports of his tax policies suggest that Shah Jahan, 17th Mughal emperor of India and commissioner of the Taj Mahal, may have appropriated as much as 40 percent of what we now call gross domestic product. The activities of Shah Jahan epitomize rent-seeking - the accumulation of a fortune not by creating wealth - but by the appropriation of such wealth after it has already been created by other people.[82]

Rent seeking knows no cultural or historical boundaries. Moreover, rent seeking is not only engendered by the existence of rents but often encouraged, endorsed and even highly regarded by society at large. "In societies where corruption is taken as a fact of life or is regarded to be an honorable form of self-interested behavior, social pressures encourage, rather than restrain, rent extraction and its associated rent-seeking contests."[83]

A Roman custom known as the 'cursus honorum' demonstrates this dynamic to near perfection.

An Ancient Roman Practice

The cursus honorum was a career path pursued by the Roman elite, centered on holding public offices of ever-increasing importance. The process is often portrayed as

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[82] John Kay, "The Monumental Folly of Rent-Seeking," *Financial Times*, November 20, 2012, https://www.ft.com/content/3c72c7f0-3278-11e2-916a-00144feabdc0.
[83] Congleton, "The Political Economy of Rent Creation and Rent Extraction," 546.

driven by the Romans' desire to serve the State. Perhaps. But successful completion of the cursus put them in positions well-suited for rent extraction. Their patriotic efforts often led to huge fortunes.

A Government (un)-Regulated Practice

In her article mentioned above, Anne Krueger observes that the extent of power and control of the State sets boundary conditions for rent seeking. "With perfect restriction, regulations would be so all-pervasive that rent seeking would be the only route to gain. In such a system, entrepreneurs would devote all their time and resources to capturing windfall rents."[84]

Moses Finley declares that this level of control prevailed in Rome:

> The authority of the state was total…There were no theoretical limits to the power of the state, no activity, no sphere of human behaviour, in which the state could not legitimately intervene provided the decision was properly taken for any reason that was held to be valid by a legitimate authority.[85]

Thomas Mommsen concurs:

> The strict conception of the unity and omnipotence of the political state in all matters pertaining to it was the central distinctive principle of the Italian constitutions." "From the times of the Tarquins down to those of the Gracchi the cry of the party of progress in Rome was not for limitation of the power of the state.[86]

Taken together these statements support the idea that rent seeking was not only a likely means of attaining wealth in Rome but, perhaps, the only efficient one.

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[84] Krueger, "The Political Economy of the Rent-Seeking Society," 302.
[85] Finley, *The Ancient Economy*, 154–55.
[86] Theodor Mommsen, *The History of Rome*, A new edition revised throughout and embodying recent additions. (New York: C. Scribner, 1908), 313, http://nrs.harvard.edu/urn-3:HUL.FIG:006082783.

Chapter IV.

Rentier Mentality

While the concepts of rent and rent seeking can be explained in purely economic terms, rentier mentality, the third leg, so to speak, supporting a rentier space, is a mental attitude, a mindset, a set of beliefs or values.

The Core Concept

At the heart of rentier mentality lies the conviction that the preferable method of accumulating riches is not to create new wealth oneself but rather to extract existing wealth from other sources. Land, again, provides a good starting place. A landowner does not create the wealth embedded in the land; nature accomplished that. Rather he reaps, as Adam Smith writes, "where he has never sowed and collects a rent that is derived from the sweat and toil of others." [87] This approach to gathering wealth can be extended in many ways and the Romans were especially inventive and creative at doing so.

Manifestations of the Mentality

> The story has oft been told of how, while visiting Weymouth, George III and Pitt encountered a wealthy Jamaican with an imposing equipage, including out-riders and livery that bespoke the rank of royalty. His Majesty, much displeased, is reported to have exclaimed, "Sugar, sugar, eh?? all *that* sugar! How are the duties, eh, Pitt, how are the duties?[88]
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> (Pitt was the king's Prime Minister. The duties are rents to the Crown.)

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[87] Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations*, Book I, Ch. VI.
[88] Lowell Joseph Ragatz, "Absentee Landlordism in the British Caribbean, 1750-1833," *Agricultural History* 5, no. 1 (1931): 11.

The sight of wealth in the hands of others entices rentiers to fashion means of extracting it for themselves. That is, after all, their economic model. Moreover, they are as a rule indifferent to the broader social and economic effects that result from their rent seeking, which inevitably immiserates some stratum of society.

The most miserable of all strata is, of course, that of slavery, the practice of which in ancient times did not necessarily raise moral qualms for the rentier. Slaves being, to this mentality, simply another source of wealth transfer created by property rights, the legal right in this case to own a human being.

A further dimension of this darkest side of rentierism is that it demonstrates rents do not only come in the form of tangible goods like money, gold, booty, etc., but in many different forms depending on the nature and structure of the intervention or legal framework that gives rise to the rent, like: compulsory military service, legally established privileges, amicitia, hospitia, patrocinium, nexus - the list is long - and includes the institution of slavery.[89]

Cato and Cicero

Voices from very early Rome, say before 500 BCE, that might allow us to see the rentier mentality directly at work are mute. Some indirect examples can be drawn from Livy and these are discussed below. But since rents persisted throughout all of Rome's history and with it rent seeking, it is reasonable to conclude that a rentier mentality

[89] Koenraad Verboven, *The Economy of Friends: Economic Aspects of Amicitia and Patronage in the Late Republic*, Collection Latomus v. 269 (Bruxelles: Editions Latomus, 2002), 269. On hospitia see Livy, *Livy in Thirteen Volumes: With an English Translation by B.O. Foster* (Cambridge, MA : Harvard University Press, 1919), Book I, XLV, 2.On nexus see, Livy, Book II,XXII,1.

existed throughout. This being granted, the testimonies of later Romans on this subject may offer a glimpse into the attitudes of those who preceded them.

Cato was a rentier to the fingertips. Much of the advice he gives in "De Agricultura" squares perfectly with rentier values. He does not like taking risk and he has no intention of breaking a sweat while gathering riches, two quintessential rentier traits.[90] He opines that: "Mercatorem autem strenuum studiosumque rei quaerendae existimo, verum, ut supra dixi, periculosum et calamitosum.", "The trader I consider to be an energetic man, and one bent on making money; but, as I said above, it is a dangerous career and one subject to disaster."[91]

Not to be outdone, Cicero displays a damning disdain for almost any form of labor, even of the most honest sort.[92] The well-known passage from "De Officiis" has launched a thousand ships of debate, but it is hard to avoid the conclusion that at Cicero's time hard work was not held in high regard and it is not unreasonable to conjecture that this view was held to some extent in early periods as well.

Rentier Mentality in Action

Rentier mentality fashions not only the attitudes of an elite class.[93] Rents can be sought by even the most humble, if they can collectivize for that purpose. In the U.S.,

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[90] Michael Ivanovitch Rostovtzeff, *The Social and Economic History of the Roman Empire:*, ACLS Humanities E-Book (Oxford: Clarendon Press, 1998), 197, https://hdl.handle.net/2027/heb.01464. "The ideal [] was still, <u>as before</u>, to enjoy a safe income, the ideal of those whom the French call *rentiers."* My underlining. Page 203: "Their attitude, as we have said, was that of rentiers. They wished to have as little trouble as possible, even at the expense of their income."
[91] Marcus Cato, *On Agriculture.* Translated by W. D. Hooper, Harrison Boyd Ash. Loeb Classical Library 283. (Cambridge, MA: Harvard University Press, 1934). http://www.loebclassics.com/view/cato-agriculture/1934/pb_LCL283.3.xml. "The trader I consider to be an energetic man, and one bent on making money; but, as I said above, it is a dangerous career and one subject to disaster."
[92] Marcus Tullius Cicero, *De Officiis* (Cambridge, MA: Harvard University Press, 2014), Book I, XLII, 150-1.
[93] Tollison, "The Economic Theory of Rent Seeking," 80.

political action committees (PACs) provide an excellent example of this practice.[94] Trade unions offer another case. Whether the rents that these group seek are beneficial or not is mostly a matter of opinion. For my analysis the importance lies in the fact that rentier mentality can be active across many different levels of society, not just at the top echelons. And this can shed light on behaviors that are often portrayed as simply political maneuvers

The bitter debates surrounding connubium (marriage) between plebs and patricians and the introduction of the lex Canuleia in 445 BCE offer a glimpse into how collective action can lead to the (re-)assignment of rights and their associated rents.[95] Historical moments like these are usually relegated to the category of 'conflict of orders'. But rentier mechanics are present here, too, under the surface. The prohibition of marriage between plebs and plebeians preserves privileges reserved for the elite. These privileges, created by human intervention, create positions of advantage.[96] In an embedded system, à la Finley, social privilege spills over into other spheres, including the economic.[97] Thus, the collective plebeian action to repeal the prohibition on connubium can be seen as an effort to dismantle a (relatively recently

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94 "Citizens United (Organization)," in *Wikipedia*, December 18, 2021, https://en.wikipedia.org/w/index.php?title=Citizens_United_(organization)&oldid=1060918839. One of very, very many examples.

95 Mommsen, *The History of Rome*, Vol. 1, 496, and Livy, Book IV, vi, 7. The strong opposition to the measure by C. Claudius gives an idea of the acrimony.

96 Jerry Linderski, "Religious Aspects: conferreatio", in Kurt A. Raaflaub,ed., *Social Struggles in Archaic Rome: New Perspectives on the Conflict of the Orders*, Expanded and updated edition, 2nd edition. (Malden, MA: Blackwell Pub., 2005), 226–27.

97 Livy, *History of Rome*, Loeb Classical Library, (Cambridge, Massachusetts ; London, England: Harvard University Press, 2017), Book IV, vi, 2. The subject of 'auspicia' also enters into this discussion providing further evidence of the 'embeddedness' of it all.

created) privilege that excluded the plebs from enjoying whatever rents might have been associated with that privilege. [98]

The lack of economic growth in nearly all of Roman history has puzzled many and led to a scholarly scramble to find growth somewhere or anywhere.[99] How could it be that Rome built a huge empire and ruled for centuries without achieving any meaningful economic growth? But the case is not as paradoxical as it appears and the presence of a pervasive rentier mentality helps to explain it. The kind of growth that interests modern economists was of no concern to and never a goal of the ancient rentiers.[100] Their wealth accumulation strategy was driven by a mentality that did not aim to "grow" their own economy but to extract existing or latent wealth from elsewhere.

Definition of Rentier Mentality

Rentier mentality is, then, the belief that the seeking of rents, rather than the production of goods or services, is the preferable means of gathering wealth. Beblawi points out that: "The basic assumption of the rentier mentality and that which distinguishes it from conventional economic behavior is that it embodies a break in the

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[98] Thomas A. J. McGinn, "Conubium," in *The Encyclopedia of Ancient History* (John Wiley & Sons, Ltd, 2012), https://doi.org/10.1002/9781444338386.wbeah13058. "*Conubium* was, according to the literary tradition, denied to unions between patricians and plebeians by the Twelve Tables (ca. 450 BCE) and then restored by the *lex Canuleia* (445)."
[99] M. I. Finley, "Technical Innovation and Economic Progress in the Ancient World," The Economic History Review 18, no. 1 (1965): 29–45, https://doi.org/10.2307/2591872. Temin, *A Market Economy in the Early Roman Empire*. Philip Kay, *Rome's Economic Revolution*, First Edition., Oxford Studies on the Roman Economy (Oxford, U.K.: Oxford University Press, 2014), http://nrs.harvard.edu/urn-3:hul.ebookbatch.GEN_batch:EDZ0000219210201606 28. Robert Bruce Hitchner, "Olive Production and the Roman Economy: The Case for Intensive Growth in the Roman Empire," in The Ancient Economy (Edinburgh University Press, 2002). Other efforts find growth include: Hopkins(1980) and Garnsey and Saller (1987).
[100] Manning and Morris, *The Ancient Economy*, 2005, 228–29. This is a great, short discussion on the concept of economic growth in the chapter by Richard Saller: "Framing the Debate Over Growth in the Ancient Economy".

work-reward causation. Reward – income or wealth – is not related to work and risk-bearing. The contradiction between production and rentier ethics is, thus, glaring."[101] Later in this paper evidence will be sought to support or dispute the notion that rentier mentality was commonplace in early Roman society. In addition, I will explore the idea that it was not only the presence of the mentality that made Rome different, rentier mentalities can be found almost anywhere to some degree, but also the unique ways in which Rome incorporated the mentality in their seeking and managing rents.

[101] Beblawi, "The Rentier State in the Arab World," Fall 1987, 385–86.

Chapter V.

Constructing a Rentier Model

> We have, I suggest, to seek different concepts and different models, appropriate to the ancient economy, not (or not necessarily) to ours.[102]
>
> Some of the greatest fun I have had in Roman history has been in the constructing of models.[103]

This chapter will present a simple, generalized, Weberian ideal-type model of a rentier economy.[104] It briefly discusses the underlying concepts, usefulness and potential pitfalls of such a model. It also explores some expected dynamics within the model and presents two, highly abbreviated, practical applications. The model distills the core findings of Rentier State Theory and employs terms defined in earlier sections. It provides a means of assessing the degree to which an economy can or cannot be classified as a rentier economy.

The use of such a model in this kind of analysis comes highly recommended: "Any analysis of the ancient economy that pretends to be more than a mere antiquarian listing of discrete data has perforce to employ models (Weber's ideal-types)."[105]

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[102] Finley, *The Ancient Economy*, 27.
[103] Hopkins, "Rome, Taxes, Rents and Trade," 191.
[104] There have been, of course, objections raised to the concept and use of Weberian ideal-types. For example, Hinnerk Bruhns claims that Weber's ideal-types can "blank out" important dimensions of the subject and thus become too narrow. Hinnerk Joshua Derman suggests that Weber's use of ideal-types, "derived largely from occidental experiences, tends to obfuscate the dynamics at work in non-European societies."
[105] Finley, *The Ancient Economy*, 182.

A New Point of View

Rentier economics offers a framework that differs importantly from the conventional classical, neo-classical and Marxists approaches. It is not focused on discrete or isolated phenomena that are viewed as uniquely economic and purely rational behaviors, like profit maximization, and analyzed in a fashion that sees economic behavior as something segregated from other behaviors. A rentier analysis incorporates social, legal and political structures and behaviors as well. At the same time, it leaves aside many of the major themes of Marxist theory, such as surplus value. It is as much a sociological model as an economic one. In fact, the human agency at work inside rentierism is best understood in a social context. "A rentier is thus more of a social function than an economic category."[106]

In the view of Max Weber, this type of model complements historical inquiry. It offers a bridge between the necessary vagueness of sociological concepts and the essential concreteness of historical data.

> The more sharply and precisely the ideal-type has been constructed, thus the more abstract and unrealistic in this sense it is, the better it is able to perform its functions in formulating terminology, classifications, and hypotheses. In working out a concrete causal explanation of individual events, the procedure of the historian is essentially the same.[107]

A model of this nature seeks to capture the essential social phenomena present within rentierism while distilling the economic practices that prevail and determine outcomes. In this way it aligns nicely with the advances made by the New Institutional Economics.

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[106] Beblawi, "Rentier State in the Arab World", 384.
[107] Weber, *Economy and Society*, 21.

Caveats

An approach that begins with the construction of a conceptual model from theory needs to heed a few important caveats. Inasmuch as an "ideal-type" creates a category or classification, it presents certain challenges. "Classification is an inherently purpose-driven, and therefore, always a dynamic and fleeting process."[108] The exercise is taxonomic in the first instance and interpretive in the second. It is necessary to ensure that the ideal-type is at once exclusive enough to include only relevant properties while being fuzzy enough to avoid becoming too narrow.[109] The process must avoid becoming determinative.[110] An insightful remark, though relating to a later period, has relevance to this exercise in abstraction: "But there is, of course, no such thing as an unengaged and merely descriptive anatomy of the Roman Empire. The telling of parts and powers is inevitably selective, aspirational, idealizing, or corrective, in various measures."[111]

In the end the model should be simple, abstract, yet specific enough to capture the essential features of a rentier environment while free from any direct connection with specific times or places.

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[108] Fred Niederman and Roman Lukyanenko, "Categorization: A Source of Theory and Output of Research," in *Proceedings of the 2018 ACM SIGMIS Conference on Computers and People Research* (Buffalo-Niagara Falls NY USA: ACM, 2018), 145. Also pertinent: A. Marradi, "Classification, Typology, Taxonomy," *Quality & Quantity* 24, no. 2 (1990): 129–57.
[109] "Classification Theory," *Encyclopedia Britannica,* https://www.britannica.com/science/classification-theory. Classification creates useful categories but can become self-serving. A quizzical example of this: Lewis Carroll, *Through the Looking Glass: And What Alice Found There* (Henneberry Company, 1917), 96. When I use a word,' Humpty Dumpty said in rather a scornful tone, 'it means just what I choose it to mean — neither more nor less.'' The question is,' said Alice, 'whether you can make words mean so many different things.' 'The question is,' said Humpty Dumpty, 'which is to be master — that's all."
[110] Niederman and Lukyanenko, "Categorization," 145.
[111] Emma Dench, *Empire and Political Cultures in the Roman World*, Key Themes in Ancient History (Cambridge, United Kingdom ; New York, NY, USA: Cambridge University Press, 2018), 19.

A Very Simple Model

Drawing on the work of Beblawi and North cited above, one may model a rentier economy concisely as follows. It is one in which:

1. Rents are the major means of wealth accumulation.
2. The majority of rents come from outside the domestic economy.

A rentier state, a special case of a rentier economy, has two additional necessary features:

3. Elites control the government.
4. The government is the principal recipient of rents,

These four essential characteristics create a theoretical framework.[112] An economy that meets the first two requirements qualifies as a rentier economy. One that fulfills all four is a rentier state. The model allows us to determine the degree and extent to which rentierism plays a role or not in an economy.

The Model has an Attitude

Max Weber suggests that ideal-types have their "appropriate attitudes".[113] It is worth exploring, then, the attitudes or dynamics that one would expect to find under each of the four conditions of the model.

First, when the majority of societal wealth stems from rents, it creates or reinforces a rentier mentality. Labor of most sorts is held in low esteem. Wealth accumulation becomes a matter of distribution rather than production.

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[112] *Hazem Beblawi, "The Rentier State in the Arab World", Arab Studies Quarterly*, vol. 9, 4 (Fall 1987), 384-385. http://search.proquest.com/docview/1300242163/citation/91C373D656B04D9FPQ/1.
[113] Weber, *Economy and Society*, 21.

Second, when external rents are high in proportion to total national product, the great majority of the population does not contribute to wealth accumulation. There is little incentive to take risk and innovation is rare. Often much of the population is involved in subsistence agriculture.

Third, the existence of an elite in control of the government suggests the formation of monopolistic interest groups that cooperate to capture the wealth resulting from their monopoly position. They often fashion laws to limit competition and thus the groups accumulate wealth from the resulting economic opportunities.[114] The structure of government may take on various forms; it is not limited to any one type.

Fourth, in a rentier economy where the central authority receives the lion's share of the rents, several dynamics take hold. The distribution of wealth, not the production of it, becomes the state's main concern. Citizens often pay little if any tax. This greatly reduces their political leverage. Citizenship turns into an economic rather than political benefit .[115] The 'vox populi' goes silent. Governing becomes an exercise in determining how much to disburse to keep the population quiet and how much to reserve for the ambitions of the elite.[116]

The Model at Work

The model is simple yet rigorous. One can use it to make a quick assessment of any country's economy. Here are two brief examples.

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[114] Weber, 341–42.
[115] Beblawi, "The Rentier State in the Arab World," 1990, 53.
[116] North, *Violence and Social Orders*, 18.

Kuwait. A small elite controls a government which receives the majority of rents. These rents come from external sources and are the country's main source of wealth. Kuwait meets all of the requirements of the model. It not only has a rentier economy but is also a rentier state.

China. An elite controls the government which amasses enormous rents. For the most part, however, these rents are generated internally not externally by a domestic workforce whose productive output greatly overshadows the incidental rents associated with it. Although rents are substantial in China due to heavy government involvement, it is not a rentier economy.

Were early Romans dyed-in-the-wool rentiers or the working stiffs of Cato? Did the structure of their society resemble that of a rentier state? In the following section, I will use this model as a framework to explore, in much greater scope and detail, various aspects of early Roman society that relate to the economy and the accumulation of wealth. If the economy of Rome was truly embedded in the fashion suggested by Weber, Polyani and Finley, then social, legal, political and religious practices will also play important roles along with those that may be considered strictly economic.

Following an approach suggested by Mary Beard, I aim to "present one possible framework…it is only one of many possible frameworks and has no unique claim to being correct"[117]

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[117] Mary Beard, *Rome in the Late Republic: Problems and Interpretations* (London: Duckworth, 1985), 3.

Chapter VI.

Collecting the Evidence

This chapter is dedicated to collecting evidence; it has two parts. The first, brief, calls on state formation theory and archeological evidence to make a determination regarding the presence or importance of rent in Roman society as it approached the mid-600s BCE. The second is a more comprehensive exercise in winnowing primary texts, mostly Livy Books I-III to shake out depictions between 650 and 450 BCE of rentier mentalities and practices. This second effort concentrates on four areas: treaties, protection rackets, war-making and debt.

Part One: Base Camp

The pioneering work done by Douglass North and others on state formation creates a framework in which rent has a key role. The central motif running through this work is that the first, essential step in the state formation process occurs when a group is able to find ways to limit violence among themselves. Groups that have crossed this threshold are labeled ‘natural states’. North submits that the great majority of early states, and this would include Rome around 650 BCE, were ‘natural states’.

> A natural state manages the problem of violence by forming a dominant coalition that limits access to valuable resources – land, labor, and capital – or access to and control of valuable activities – such as trade, worship, and education – to elite groups. The creation of rents through limiting access provides the glue that holds the coalition together, enabling elite groups to make credible commitments to one another to support the regime, perform their functions, and refrain from violence.[118]

[118] North, *Violence and Social Orders*, 30.

"The origin of property rights and legal systems", North states, "is the definition of elite privileges in the natural state."[119]

Rent is central to these arguments. It is in fact the reason and reward for ending violence and maintaining peace. North defines these rents in a manner fully consistent with the examples given above: "the rents from peace are the difference in returns that their assets (the elite) earn when they do not fight compared to the returns they earn when they do fight."[120] He sums up his argument quite neatly: "The use of rent-creation to constrain the use of violence enabled the creation of much larger societies."[121]

There is sound archeological evidence that favors the proposition that by the seventh century BCE Rome fit this description. Terrenato finds support in the changing funerary practices in central Italy in the ninth to sixth centuries BCE.[122] He, like North, is working within a theoretical framework, that of Lévi-Strauss' House society model, as well as within the context of the extensive archeological efforts undertaken in the vicinity of ancient Gabii.[123] With these two sources, he constructs a plausible, central Italian scenario wherein the limitation of violence between elites played a fundamental role.

He first provides physical evidence for the existence and dispersion of elite groups. "Rather than having grown from a single community, they (central Italian

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[119] North, 151. This view is also held by Mommsen, Weber, Momigliano and Fustel de Coulanges.
[120] North, 19.
[121] North, 253.
[122] Matthew C. Naglak and Nicola Terrenato, "Central Italian Elite Groups as Aristocratic Houses in the Ninth to Sixth Centuries BCE," in *Roman Law before the Twelve Tables* (Edinburgh University Press, 2020), 26, 32, https://www.jstor.org/stable/10.3366/j.ctv10kmd31.6.
[123] Claude Lévi-Strauss, *The Way of the Masks*, 1st pbk. ed. (Seattle: University of Washington Press, 1988), 174. Lévi-Strauss uses the House society model to explore kinship and political relations in Mesoamerica and elsewhere. He defines a "House" as: "a corporate body holding an estate made up of both material and immaterial wealth, which perpetuates itself through the transmission of its name, its goods and its titles down a real or imaginary line considered legitimate as long as this continuity can express itself in the language of kinship or of affinity and, most often, of both." A bit like the House of Windsor.

villages) would originally have been comprised of tens of elite-led nuclei that lived separately from each other on the same plateau."[124] He then points to the ban on burial evidenced on the sites and claims that this may be "the earliest indication visible to us of true collective action."[125] And he concludes: "Stopping this century-old custom would take away a key ingredient for factional strife, demilitarising, so to speak, the domain of the future city and creating a more neutral space in which Houses could interact." All of this offers the strongest support for North's main tenets and seems to me sufficient to consider early Rome a 'natural state.' That is, a society, as it crossed the threshold into our period of interest (650- 450 BCE), in which rent played a key role.

Part Two: Reliability of Literary Sources

The main source for the majority of cases about to be examined is Titus Livy's *Ab Urbe Condita*. Polybius, Dionysius of Halicarnassus, the Twelve Tables, Cicero, Sallust all make cameo appearances. Of Livy's first ten books, we focus on books I-III. The debate about the reliability of these sources has produced so much insightful work, done by so many brilliant scholars that it makes little sense for me to add anything. On the matter I stand somewhere between the noncommittal tip-toeing of Gary Forsythe and the Homeric hospitality that Tim Cornell reserves for the literary tradition. The latter often convincingly supports his positions by citing cases where physical evidence confirms written passages. In *The Beginnings of Rome,* he cites a host of cases where he sees strong correspondence between the literary tradition and archeological and epigraphical findings. For example, the rise and fall of sanctuaries (p. 28); eighth century material

[124] Naglak and Terrenato, 35.
[125] Naglak and Terrenato, 26.

from the Palatine (p.72); the migration of the Claudii (p.76) and Tarquinius (p. 157); the sudden drop-off in temple building after 480 (p.266). In the end I think Cornell makes a strong case against those, like Alfőldi, who are highly critical of the tradition and I agree that examples like those above are: "the strongest single argument in favour of a conservative approach to the literary tradition."[126]

The Evidence

This section focuses attention on four pursuits in which early Romans were actively engaged that can be fertile ground for rent creation. They are: 1) making treaties, 2) providing protection, 3) structuring debt and 4) making war. Already by 500 BCE, treaty making was firmly established while providing protection remained in its infancy. In this earlier phase, the rents Rome won were often modest. The rentiers in this period distinguished themselves not by the size of their prey, but rather by the creativeness and ingenuity with which they hooked it. By the end of the period, however, they were emerging as world leaders in this art, demonstrated by the massive rents they captured from making war and providing protection in the following centuries.

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[126] Cornell, *The Beginnings of Rome*, 28.

Treaties

Signed as they most often are on tables tilted distinctively in favor of one of the parties, treaties offer ample opportunity for rent creation.[127] Like all rent situations, they are born of human intervention and produce enforced conditions which can easily invite rent seeking. Treaty is to rentier as hen house is to fox. We will have a look at a handful of treaties struck before 450 BCE to explore this notion.

The very first treaty-like agreement that Livy mentions is the foedus between Rome and the Sabines, around 740 BCE, which established peace between the two peoples “but all authority was transferred to Rome.”[128] That the agreement favored the Romans may be seen not only from the transfer of authority but also from Livy’s concessive comment “ut Sabinis tamen aliquid daretur…”[129] which gives the impression that the Sabines got the short end of the stick. This is a report of a very distant event and therefore less credible. The small amount of rent that the Romans might have managed to chisel out of this affair might be considered a version of ‘home court’ advantage, but advantage nevertheless. Cicero himself recognizes what was to become a strategic rent:

> illud vero sine ulla dubitatione maxime nostrum fundavit imperium et populi Romani nomen auxit, quod princeps ille creator huius urbis, Romulus, foedere Sabino docuit etiam hostibus recipiendis augeri hanc civitatem oportere.”
>
> And the thing which has above all others increased the renown of the Roman name, that that first man, the creator of this city, Romulus, taught by the treaty which he made with the Sabines, that it was expedient to

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[127] Lest there be any doubt that a treaty can generate rents, a cursory consideration of the North Atlantic Treaty Organization (NATO) will convince. That treaty awards huge rents, especially to those countries most crippled by World War II. In the case of Germany, for example, these rents took the form of decades of lower levels of defense spending, equating to billions and billions of dollars, thanks to the umbrella of military protection offered by the treaty. This also demonstrates that treaty rents are not always one-way – a curious reversal of the maxim ‘vae victis’. In this case sizeable rents went to the defeated.
[128] Livy, *Livy in Fourteen Volumes*, The Loeb Classical Library Livy in Fourteen Volumes (Cambridge, MA, Harvard University Press, 1976), 49. “imperium omne conferunt Roman”.
[129] Livy, (1,13,5): “and that some concession might after all be granted the Sabines.”

> increase the population of this city by the adoption of even enemies as citizens.[130]

Around 670 BCE the Romans struck a treaty with the Albans that was pivotal. Livy gives us more background and direct reporting on this treaty than any other in his first three books. Dionysius also records it.[131] The treaty is indeed both ground-breaking and tone-setting. It is the first to be associated with the ius fetiale[132]. It appears to be, according to Claudine Auliard, the first one that led to a request for reparations and it marked the beginning of a destiny-setting foreign relations policy.[133] The question here is whether or not the Romans gleaned any rent from the treaty. The answer is yes, and two important kinds. The treaty permitted the winner of the hand-to-hand combat fought between the Horatii and Curiatii triplets to 'rule over the other'[134]. The Romans prevail in this action-packed and surely fictional battle. A good deal more believable, however, is the demand that Tullus makes to Mettius: "uti iuventutem in armis habeat: usurum se eorum opera, si bellum cum Veientibus foret.", "to hold his young men under arms, saying that he should employ their services, if war broke out with the Veientes."[135] A consequential rent falls out of this request. The value is calculated below (page 63). The

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[130] Marcus Tullius Cicero, "M. Tullius Cicero, For Cornelius Balbus, Section 31," https://www.perseus.tufts.edu/hopper/text?doc=Perseus%3Atext%3A1999.02.0014%3Atext%3DBalb.%3Asection%3D31.

[131] Dionysius of Halicarnassus, *Roman Antiquities, Volume II* (Cambridge, MA: Harvard University Press, 2014), 51–53.

[132] Livy ascribes the foundation of the fetiale priesthood to both Tullus Hostius and Ancus Marcius. We include a discussion of it in the section devoted to war-making.

[133] Claudine Auliard, *La diplomatie romaine: l'autre instrument de la conquête : de la fondation à la fin des guerres samnites, 753-290 av. J.-C,* Collection "Histoire" (Rennes, France) (Rennes: Presses universitaires de Rennes, 2006), 66. "Le troisième roi de Rome augurait ainsi une politique que ses successeurs…allaient developer largement: la prise de contrôle progressive des composantes de la Ligue Latine." "The third king of Rome thus initiated a foreign policy that his successors...would ambitiously follow: taking progressive control over the members of the Latin League."

[134] Livy, (1,24,3). "Foedus ictum inter Romanos et Albanos est his legibus, ut cuiusque populi cives eo certamine vicissent, is alteri populo cum bona pace imperitaret."

[135] Livy, (1,26,1).

Albans later broke the treaty, but the rentier space, created by the treaty and guaranteed by the gods, was still in effect allowing the Romans to 'justly' take control of the Albans, lock, stock and barrel, including pulling down all the buildings in their city, except the temple, and transferring the entire population to Rome. To the degree that this treaty and its implementation served Rome as a model, it supports the idea that rentier mechanics entered into the design of treaties.[136]

Tarquinius Superbus, around 530 BCE, is said to have struck a treaty with the Gabini.[137] The 'backstory' is rich with intrigue.[138] Yet, believable history lies underneath. Dionysius relates that there existed a copy of the treaty inscribed on a hide covering a shield in the temple of Dius Fidius.[139] This treaty was made 'sine dimicatione nulla', 'without a fight', which is always a rentier's preference.[140] It is not obvious, however, that this agreement generated rent for either side. Rather, I include it here because it illustrates Rome's flexibility, practicality and inventiveness in crafting accords with its neighbors.

There is, however, no other treaty quite like it. Patrick Bruun claims it is "unique in Roman history" supporting the idea that Rome did not necessarily take a boiler plate approach to such matters, as one might conclude from Livy's remark just above (1,24,3).[141] What makes the accord unique is its assigning of isopolity to the signatories

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[136] Livy, (1,24,3): "Foedera alia aliis legibus, ceterum eodem modo omni fiunt." "One treaty differs from another in its terms, but the same procedure is always employed."
[137] Gary Forsythe, *A Critical History of Early Rome: From Prehistory to the First Punic War* (Berkeley: University of California Press, 2005), 72. Forsythe dates the treaty so, but P. Bruunt, cited below, pushes it all the way forward to 460.
[138] Livy, (1,54,1-10).
[139] Dionysius of Halicarnassus, *Roman Antiquities, Volume II*.(4,58,4).
[140] Livy, (1,54,10).
[141] Patrick Bruun, "The Foedus Gabinum," *Arctos: Acta Philologica Fennica*, vol. 5 (Jan 1, 1967):64.

and the awarding to the Gabini the right to perform 'auspicia' on its own territory.[142] Quite clearly, at the time of negotiating this treaty Rome was not in a position to dictate terms; it needed help. As much as a 'foedus aequum' must have run counter to the rentier mentality, practicality and Realpolitik carried the day. By this point the early Romans had already learned what 20th century Europeans had yet to grasp when they fashioned the calamitous Treaty of Versailles at end of the "Great War".

The next treaty of major import was one struck in the grove at Ferentina after 530 and before 510 BCE between Rome, represented by Tarquinius Superbus, and the Latins. Both Livy and Dionysius spice up the account with tales of treachery and gruesome finales. [143] Livy explains that the Latins had been given an example of the dangers of opposing Roman will. (The king who opposed Superbus was drowned in a wicker basket filled with stones.) But Livy gives a much more sober rendering of the treaty itself. "Haud difficulter persuasum Latinis, quamquam in eo foedera superior Romana res erat.", "It was not difficult to persuade the Latins, although the Roman interest preponderated in this treaty."[144]

As in the case of the Albans, Livy loads the narrative with drama, but I think he is less likely to embellish the terms of a treaty which lends itself poorly to such interpolations. Gary Forsythe points out that, indeed, by this point in its history Rome had gained the upper hand over its neighbors: "various indications, including modern demographic estimates and ancient historical data, seem to converge in showing that by the end of the sixth century B.C. Rome had emerged as the single most important state in

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[142] Bruun cites Varro (LL,V,33) and Dionysius (4,58,3) as evidence of this.
[143] Livy, (1,50,1ff) and Dionysius of Halicarnassus (4,45,3ff).
[144] Livy, (1,52,4).

Latium." [145] It was in a position to strike treaties which created rents and it appears to have done so.

Due to the subsequent history between the two great rivals, the treaty of 509 BCE between Rome and Carthage gets a lot of attention, not from Livy but from Polybius, who supplies a date.[146] The consensus view is expressed by Serrati: "This treaty was certainly more beneficial toward Carthage."[147] Seen from a rentier perspective, however, it evokes a typical Mafia turf dividing exercise. To investigate here is whether Rome, in a comparatively weaker position, was able to eke out at least some rent.

The terms reported by Polybius are fairly simple. The first half of the treaty spells out the rights awarded to Carthage; in the second half the Carthaginians pledge not to harm the Latins subject to Rome nor disturb those who are not subject.[148] Despite what seems an inferior negotiating position, the Romans carve out a substantial rent from this agreement. It is in the form of a reduction in costs that they would incur if they had to defend Latium, especially its coastal cities, from Carthaginian aggression that could occur if the treaty were not in existence. This is quite similar to the NATO rents discussed above. Forsythe concludes, I think correctly, that: "it seems obvious that the Carthaginians were quite willing to acknowledge Rome as the leading power in Latium and as the one state in the area with which they needed to have an agreement."[149] The

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[145] Forsythe, *A Critical History of Early Rome*, 124.
[146] Polybius, *The Histories, Volume II*, (Cambridge, MA: Harvard University Press, 2010). (3.22-23).
[147] John Serrati, "Neptune's Altars: The Treaties between Rome and Carthage (509-226 B.C.)," *The Classical Quarterly* 56, no. 1 (2006): 114.
[148] Polybius, *The Histories, Volume II*. (3,22,11-13). "Καρχηδόνιοι δὲ μὴ ἀδικείτωσαν δῆμον Ἀρδεατῶν, Ἀντιατῶν, Λαρεντίνων, Κιρκαιιτῶν, Ταρρακινιτῶν, μηδ᾽ ἄλλον μηδένα Λατίνων, ὅσοι ἂν ὑπήκοοι. ἐὰν δέ τινες μὴ ὦσιν ὑπήκοοι, τῶν πόλεων ἀπεχέσθωσαν". "The Carthaginians shall do no wrong to the peoples of Ardea, Antium, Laurentium, Circeii, Terracina, or any other city of the Latins who are subject to Rome. Touching those Latins who are not subjects, they shall keep their hands off their cities."
[149] Forsythe, *A Critical History of Early Rome*, 124.

treaty-savvy Romans knew how to turn this acknowledgement into a strategic source of rent.

Dionysius of Halicarnassus is our main source for the next significant treaty, known as the ‘foedus Cassianum’ after the consul who supposedly engineered it. The date of the treaty is, of course, hotly debated but its existence is far less so.[150] Cicero announces that a copy of it was once on display: “Cum Latinis omnibus foedus esse ictum Sp. Cassio Postumo Cominio consulibus quis ignorat? quod quidem nuper in columna ahenea meminimus post rostra incisum et perscriptum fuisse. ” “Who is there that does not know that a treaty was made with all the Latins in the consulship of Spurius Cassius and Postumus Cominius? Which, indeed, we recollect to have been in existence till quite lately, engraved and written on a bronze column at the back of the rostra.”[151]

A date of 494 is frequently assigned. Dionysius gives a much fuller report than Livy and the conditions of the treaty he cites makes it look like a ‘foedus aequum’. [152] The terms do not hint at any advantage awarded to the Romans. There is no trace of rent here. Not every treaty was a rain-maker, especially at this time, if the dating is credible, when social and political battles were roiling the city. The fox was forced to retire to his lair sans chicken.

The following short survey cites passages from Livy that highlight the kind of terms Romans included in treaties that likely created rents.

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[150] Karl-Ernst Petzold, "Die beiden ersten römisch-karthagischen Verträge und das foedus Cassianum" In *Band 1 Politische Geschichte* edited by Hildegard Temporini and Wolfgang Haase (Berlin, Boston: De Gruyter, 2016), 364-411. https://doi-org.ezp-prod1.hul.harvard.edu/10.1515/9783110818352-014.
[151] Marcus Tullius Cicero, “M. Tullius Cicero, For Cornelius Balbus, Section 53,” https://www.perseus.tufts.edu/hopper/text?doc=Perseus%3Atext%3A1999.02.0014%3Atext%3DBalb.%3Asection%3D53.
[152] Dionysius of Halicarnassus, *Antiquitates Romanae*, Book 6, Chapter 95, Section 2, https://www.perseus.tufts.edu/hopper/text?doc=Perseus%3Atext%3A2008.01.0572%3Abook%3D6%3Achapter%3D95%3Asection%3D2. And (Livy 2.33.9).

- Aequi: 494. Livy (2.30.8). "Emissaries from the Latins begged the senate either to send them help or permit them to take up arms themselves in the defence of their country." This request, necessitated perhaps by the terms of the foedus Cassianum just above, suggests that under those terms Rome had the deciding say whether other treaty signatories could take up arms, even in self defence. That offered strategic advantage.
- Hernici: 486. Livy (2,41,1). "A treaty was struck with the Hernici, and two-thirds of their land was taken from them." That transfer surely included a good amount of rent.
- Veientes: 474. Livy (2,54,1) "To Manlius fell the command against the Veientes. But there was no war: a truce for forty years was granted, at their solicitation, and corn and a money-indemnity were exacted of them." No treaty here but, since no war was waged, the cost of obtaining the corn and money was certainly lower than the market rate, i.e., a rent.
- Hernici. Livy (3,22,4). "The Hernici and the Latins were bidden to furnish soldiers, as by treaty bound: two-thirds of the army were allies, one-third citizens."

Taking together all the accords presented above, one may fairly conclude that the Romans, while ever jockeying for advantage, were able to balance their approach, as with the Gabini and Latins at Ferentia, so as to create treaty terms that were not so lopsided as to guarantee failure. A counter example to their approach is given by the notorious Caudine Peace forced on the Romans by the Samnites around 321, the terms of which according to Livy destined the treaty “to become a far more bitter memory to the Samnites than to the Romans.”[153]

The rents resulting from many of the treaties discussed above were at times small, at times large, at times non-existent. Collectively, however, they worked to push Rome ahead of its rivals. Their strategic importance is clear, as Forsythe announces: “Most important for Rome’s future as an imperial power in the Mediterranean was the access which these treaties gave Rome to the manpower resources of peninsular Italy.”[154] Driven by a rentier mentality the Romans, true to form, fashioned accords that allowed them to capture wealth created by others.[155]

Protection Rackets

The oldest and most widely practiced means of rent creation, from ancient times until today, is the protection racket. At times beneficial, often diabolical, the arrangement usually involves coercion. It always involves a weaker and stronger party.[156] In early Rome there existed two types of rackets. One, carried out within the structure of the client-patron relations and the other, played out in the arena of international politics. The

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[153] Livy, (9,6,4).
[154] Forsythe, *A Critical History of Early Rome*, 365.
[155] Abraham Carmeli and Gideon D. Markman, “Capture, Governance, and Resilience: Strategy Implications from the History of Rome,” *Strategic Management Journal* 32, no. 3 (March 2011): 328, https://doi.org/10.1002/smj.880. Confirmation of this point of view from a different angle. Rome’s approach “turned Latium’s hostile cities into partners, thus allowing Romans to leverage on saving power tactics and to marshal the labor force of the occupied cities in order to strengthen its military and to carry out territorial expansion.”
[156] Charles Tilly, “War Making and State Making as Organized Crime,” in *Collective Violence, Contentious Politics, and Social Change*, 1st ed. (Routledge, 2017), 170. “The word "protection" sounds two contrasting tones. One is comforting, the other ominous. With one tone, "protection" calls up images of the shelter against danger provided by a powerful friend, a large insurance policy, or a sturdy roof. With the other, it evokes the racket in which a local strong man forces merchants to pay tribute in order to avoid damage - damage the strong man himself threatens to deliver. The difference, to be sure, is a matter of degree.”

first was quite developed by 500 BCE, the second was only just taking root. This section will briefly outline the first and then focus on the second.

Homo homini lupus

The pervasive and intertwining networks of patron-client relationships fits hook and eye into the rentier framework. These relationships could be mutually beneficial. Exploitation is not required by rentierism, though it does invite it. [157] Since the type of rents produced by this social structure are internal rents, that is, they only shift wealth from one member of the society to another, rather than produce an external source of additional wealth, they are not the main focus of this paper. There is, nevertheless, one critical observation to make. Patron-client relations open the door to rent creation, but what is it that gives birth to the practice in the first place? It seems likely to me that this arrangement grew organically out of North's 'natural state' discussed above where rents play a decisive role. It is included here as evidence of how deeply the rentier mentality ran in the minds of early Romans, so deep as to inspire and structure social norms and practices like that of *patrocinium.*[158]

Protection rackets have their own special dynamics. They include, as mentioned above, an imbalance in power, coercion, a threat of violence and a type of monopoly.

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[157] Dionysius of Halicarnassus gives an all too rosy picture of this practice, Book 2,10-11, but Forsythe, *A Critical History of Early Rome*, 216., gives one which is all too grim.

[158] Bang, "Trade and Empire: In Search of Organizing Concepts for the Roman Economy," 40. "In the nature of things, the sale of protection is to a large extent a monopoly business. Customers are not allowed a free choice of supplier but are presented with a claim." For a brilliant quantitative analysis see: Antoine Pietri, Tarik Tazdaït, and Mehrdad Vahabi, "The Economics of Empire-Building: Predatory and Price Competitions," Journal of Institutional and Theoretical Economics: JITE 173, no. 2 (June 2017): 354, http://dx.doi.org/10.1628/093245616X14659946859954. "Absolute protection rent corresponds to private benefits of the rulers, and captures a tyrannical kind of expansion based on coercion. In this case, the economic significance of violence is the extraction of monopoly rent."

Client-patron pacts were not only person-to-person. They could also be made between powerful individuals and other states.

Here a city in present day Mallorca makes itself a client of a certain Atilius Calvernus.

Figure 2. Tabula Patronatus Bocchorus.[159]

Peace, and Quiet, for a Price

> Two thugs enter a modest yet prosperous shop on a commercial street. After some small talk with the owner, one of them remarks that a business like hers surely needs some protection against the thieves and criminals in the neighborhood especially since the cops do nothing. Somewhat taken-aback the shopkeeper replies: “But I have been doing business here for years without a single burglary. Who would these thieves and criminals be?” One of the thugs, with a wry smile, responds: “They would be us, ma’am.”

Perhaps the most curious and devious aspect of this practice is that it is most often characterized by a threat of violence, engineered to create a need for protection, which protection is then provided by the party threatening the violence. As early Rome racked

[159] Tabula Patronatus Bocchorus (AD 6), https://upload.wikimedia.org/wikipedia/commons/thumb/9/93/Tabula_Patronatus_Bocchorus_%28AD_6%29_-_Serra_Ferragut.jpg/1024px-Tabula_Patronatus_Bocchorus_%28AD_6%29_-_Serra_Ferragut.jpg.

up military victories, it fell into this practice almost as a matter if course. Or better, their rentier mentality did not fail to seize the opportunity.

Protection rackets that generate external rents are generally of a military, political or diplomatic nature. They come about in a world where there is an imbalance in power, especially military power, and a real or perceived threat of violence. Livy provides two early examples of how Romans were initiated into the practice.

At (2,22,3) the historian reports that the Volscii are preparing to send arms to assist the Latins. Rome somehow gets wind of this and sends troops in their direction. As the armed forces appear on the horizon, the Volsci quickly agree to hand over 300 hostages, all children of noble birth. The episode illustrates that the Roman army at that point had such a reputation that even the threat of violence was enough to provoke a capitulation ‘sine certamine’, ‘with no battle’. The lesson was not lost on them.

Only a few pages later, Livy records the surrender of the Volscii at Ecetra, again without a battle. Rentiers like that: no capital expenditure. This second episode reveals that Rome had indeed achieved a status, real or perceived, that put it in a position to establish protection rackets. Its threats of violence were credible and they were establishing a monopoly on violence in central Italy. The potential for this kind of rent is encapsulated in Livy’s eight-word closing of the story: “His ex senatus consulto data pax, ager ademptus.”, “Peace was awarded them by senate decree and their lands were confiscated.”[160] A significant rent was obtained by reputation and mere sabre-rattling.

Later, protection rackets were to become Rome’s main source of revenue and rent. A brief sketch of that will be given below. It is important to keep in mind that such

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[160] Livy, (2,25,6).

opportunities arise for any military power. Rome is not different in that respect. The SPQR distinguished itself, however, by the means which it employed, often assimilation and integration, to render these rents stable and permanent. The Athenians' mismanagement of the Delian League, a brazen protection racket, offers a clear counter example.

Debt

TERTIIS NUNDINIS PARTES SECANTO.

SI PLUS MINUSVE SECUERANT, SE FRAUDE ESTO.[161]

"On the third market day, let the creditors cut the body of the debtor into pieces corresponding in size to the percentage of debt owed to each. If the pieces are a bit too large or small, they shall be held harmless."

Contracting debt was as commonplace as it was precarious in early Rome. Much earlier, loans had been made 'in-kind,' metal or coinage was not involved.[162] But when a new instrument for payment was introduced, weighted bronze, borrowing and lending took on a new and, according to some, a horrific aspect.[163] By 500 BCE the issue of debt had spilt well over into the social arena. Livy seizes on this fact to anchor his account of

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161 Rudolf Düll, *Das Zwölftafelgesetz; Texte, Übersetzungen und Erläuterungen,* [4., verb. Aufl.], Tusculum-Bücherei (München: E. Heimeran, 1971), 34. Table 3,6. My translation is free but I think faithful. Forsythe's translates: "on the third market day shall cut parts (partis secanto): and if they cut more or less, it shall be without prejudice." Op.cit. 218.

162 Johannes (Berlin) Renger and Michael Hewson (London) Crawford, "Debt, Debt Redemption," *Brill's New Pauly*, October 1, 2006, http://referenceworks.brillonline.com/entries/brill-s-new-pauly/debt-debt-redemption-e1105040#.

163 François Lerouxel, "Bronze Pesé, Dette et Travail Contraint (Nexum) Dans La Rome Archaïque (VIe s.-IVe s. Avant J.-C.)", *La main-d'oeuvre agricole en Méditerranée archaïque: statuts et dynamiques économiques ; actes des journées,* ed. J. Zurbach, (Pessac, Paris: Ausonius, Diffusion De Boccard, 2015). The entire article is dedicated to proving this point, but becomes a bit forced. His initial insight is brilliant but he tries "to gild refined gold, to paint the lily" and goes a bit too far.

the first 'secessio,'[164] The next best source on that same event, Dionysius of Halicarnassus, follows suit.[165] The story offers an ideal occasion for dramatizing: debtors in chains, condemned to sweatshops, whipped and reduced to destitution make for pretty good reading.[166] But, according to Pottage, the annalistic sources which the historians appear to be following: "emphasise the abject and hopeless condition of the nexus as the victim of debt bondage."[167]

Yet, the drama obscures the matter and confounds the issue of debt with the struggle of the orders and land reform. Of interest here is only the matter of debt.[168] The aim of this section is to investigate the structuring of debt and determine whether or not lending was a source of rent in early Rome.

Lending, in most forms, is not a practice that generates rent. It earns interest payments which are simple revenues. As much as it is a favorite target against which pamphleteers, politicians and some economists, love to rail, lenders, from an economic point of view, fall into the same class as barbers or bartenders; they provide a service.[169] In order for rent to arise, as seen before, there must be a human intervention or convention that creates a condition that tilts the playing field in favor of some group or groups. This can and does occur in the field of lending. Government guaranteed home mortgages are just one of many examples. The question is, then, was there any such

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[164] Livy, (2,23,1ff).
[165] Seth Bernard, "Debt, Land, and Labor in the Early Republican Economy," *Phoenix* 70, no. 3/4 (2016): 320. "Dionysius of Halicarnassus made debt central to his portrayal of the early conflict between plebeians and patricians."
[166] Livy, (2.23,6) and (2,23,8).
[167] Alain Pottage, "Finding Melanesia in Ancient Rome: Mauss' Anthropology of Nexum," in *Roman Law before the Twelve Tables*, ed. Sinclair W Bell and Paul J du Plessis, An Interdisciplinary Approach (Edinburgh University Press, 2020), 172, http://www.jstor.org/stable/10.3366/j.ctv10kmd31.14.
[168] Livy, (2,29,8): "Plebem aere alieno demersam esse." "The whole commons was submerged in debt."
[169] Christophers, "Class, Assets and Work in Rentier Capitalism," 5. This Swedish scholar cannot turn over a rock without finding some rent underneath it.

convention present in the early Roman debt markets that might have given rise to a rentier space. There is good reason to answer in the affirmative. Such a convention existed and it went by the name of 'nexum'.

> Nexum was originally the form taken by a loan made by patrician to plebeian. A quantity of bronze bullion representing the sum borrowed was weighed out in the presence of a libripens and five witnesses, and this ritual, together with the verbal formulae uttered by the parties, created a bond under which the borrower effectively pledged himself as security for the loan."[170]

Nexum could also come about without such a formal process but the status of a person in nexum was identical regardless of how one entered into it. That status is often referred to as 'debt bondage.'

Nexum creates a rentier space. It introduces a considerable advantage to the lender that would not be available in its absence. In a practical sense, it guarantees payment, or seen differently, it eliminates default. Debt bondage is not a default. Payments must continue one way or the other. It is an extended, collateralized debt restructuring, to put it into the cold and calculating terms of modern finance. The collateral, of course, is the person and assets of the debtor.[171]

A rentier space emerged from this legal convention but the space itself does not generate rents. Rent seekers are needed capable of developing strategies to capture the rent. As a rule, they do not wait to be invited; they jump right in. And three scholars, Finley, Cornell and Lerouxel depict the rent seekers in this case as especially aggressive, seeking not one but two forms of rent: the rent arising from the legal status of nexum

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[170] Pottage, "Finding Melanesia in Ancient Rome," 172.

[171] . Richard Gamauf, "Nexum" in *Brill's New Pauly*, (Leiden, Koninklijke Brill NV, 2006), https://doi.org/10.1163/1574-9347_bnp_e821440. Gauman focuses on the surety: "It enabled the lender to get ahold of the borrower's person".

itself and the rent derived from obtaining manpower at below market rates. Cornell proffers the most succinct version of their view: “It is virtually certain that the function of nexum in early Rome was to provide dependent labour for exploitation by large land owners.”[172] Lerouxel delivers an analysis that takes the notion further.

> The elevated rate of interest allowed creditors to realise the full economic potential of the legal institution of nexum, which authorised execution on the person of the insolvent debtor. The object that was loaned, weighed bronze, was imposed upon plebeians by the patricians, and it was chosen because of its novelty and rarity, so as to create a debt that was as difficult as possible to repay. From the very inception of the contractual relation, the object of the debt was to create a state of dependence that allowed the labour of debtors to be exacted. From the point of view of the creditor, default on payment was not an accident that required compensation but a projected phase of the contractual relation.[173]

That assessment is reasonable but a bit stretched. It ascribes to lenders a type of strategic prescience that is unlikely. It also assumes that lenders could set any interest rate they chose. That is also unlikely where multiple lenders were or could be available. Putting aside Lerouxel’s conspiratorial assertions, we are still able to determine that the convention of nexum created rents. In a very curious way, it comes about by default, and having come about, it eliminates default.[174]

Nexum creates rent, an internal rent which, in often brutal fashion, transfers the wealth created by one person into the hands of another who has done nothing to produce it. The case is included here, as was patron-client relations, to provide evidence of how a

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[172] Cornell, *The Beginnings of Rome*, 283.
[173] This passage is cited in Pottage, Op.cit. 173. Finley concurs in a far more restrained manner. See: M. I. Finley, “La Servitude pour Dettes,” *Revue historique de droit français et étranger* 43, no. 2 (1965): 159–84.
[174] This is an exquisite, upside-down avatar of: “You can’t fire me. I quit.” That is, under the terms of the nexum contract, if a debtor cannot pay, i.e., defaults, he must continue paying…in one way or the other. So, he does not default.

rentier mentality gave birth to practices and institutions that embodied and actualized its underlying principles.

War Making

Between 650 and 450 BCE Rome became evermore engaged in battles and wars with its neighbors. Explanations for this are many but of little concern here. This section, instead, is dedicated to finding evidence that confirms or refutes the proposition that rentierism played a role in these military undertakings.

Making war involves declaring war. In its early history Rome took a serious approach to that formality. Already one of the first kings of Rome saw the need for an apparatus that ritualized the declaration of war.[175] In another example of the Romans' readiness to assimilate, both Livy and Dionysius relate that a convention was imported, either from the Aequicoli or the city of Ardea, to meet that need. It was a priesthood and set of sacred rites dedicated to the declaring of war, known by the name of 'ius fetiale'.

Ius fetiale

A. Giovannini gives a succinct summary of the three phases of the ritual carried out by the fetial priests in the process of declaring war, which included imprecations to the gods, embassies to enemy territory, spear-chucking and woolen hats.[176] As fascinating

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[175] In one of his more blatant slips of the pen, Livy attributes the introduction of the ius fetiale to both Marcus Ancius and Tullus Hostius. (1,24,4) and (1.32.5). Dionysius gives the honor to an even earlier monarch, Numa. (2,72). "Νόμα τοῦ βασιλέως πρώτου καὶ τοῦτο Ῥωμαίοις τὸ ἱερὸν ἀρχεῖον καταστησαμένου."

[176] A. Giovannini, "Le droit fécial et la déclaration de guerre de Rome à Carthage en 218 avant J.-C," *Athenaeum* 88 (January 1, 2000): 86.

as the procedure may have been, what matters here is whether any of it fits into a rentier framework. And, indeed, I believe it fits snug as a bug in a rug.

All rentiers, before taking up their rent seeking efforts, which normally involve costs, need to have some assurance that the rentier space in which they plan to carry out their efforts is firmly 'protected' by a higher authority. Take, for example, the state sponsored monopoly on salt awarded to a single vendor. Before this agent takes rent seeking action to maximize his gain from the situation, he must believe that the government will enforce the monopoly. If a lively black market in salt is allowed to exist, the rentier will not be able to raise prices to the level where a rent would be captured. A war making rentier is in precisely the same situation. He needs to believe that a rentier space has been created and that it will be enforced by a higher authority. The ius fetiale accomplishes just that.

How does it do that? First, the priests are able, under the prescribed conditions, to make a declaration of war via a mere speech act. This creates a state of war which is also a rentier space. That is, through human intervention it creates an opportunity to seek rents via a mechanism that was not allowable before its introduction: violence. Rent seekers can now enter this new playing field, but like the monopolist they need reassurance that the rentier space will be enforced. The monopolist relies on the government to do this; the war rentiers on the gods. The fetiales offer an implicit assurance that the gods are on the side of the rentiers. This guarantees that their rent seeking activities will succeed. As Santangelo puts it: "the ius that the fetials guarantee and act under are the very incarnation of the alliance between the gods and the Roman people."[177] Alan Watson

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[177] Federico Santangelo, "The Fetials and their Ius," *Bulletin of the Institute of Classical Studies* 51, no. 1 (December 1, 2008): 71.

concurs: “This approach to the declaration of war has important consequences. First, the Romans have the psychological advantage of knowing, even before the fighting begins, that they have the verdict of the gods.”[178] Harris, too, chimes in. He lays out an examination of the ius fetiale that is thoroughly consistent with rentier mentality. “In its earliest phase, the war-declaring procedure was devised to gain the support of the gods.”[179] And: “The significance of the fetial procedure for declaring war was solely psychological.”[180]

Through their actions the fetial priests create the impression that the gods are on the side of the Romans. That seems to me to be their main purpose. They present the case to the gods and when they go ahead and declare war it is with the understanding that the gods are in agreement. With heaven on their side, the rentiers will be successful, like the monopolist, in their rent seeking. For the salt monopolist that means higher prices; for the combatant it means victory on the battlefield. Thus, the ius fetiale is an institution in perfect harmony with rentier mentality and I would suggest that it was imported and fine-tuned by the Romans in service to that mentality.

The question remains then: were the Roman victories of a nature whereby they captured not only the enemy’s standards, but also rents? Just what is a war rent? This type of rent results when the victors are able to procure sources of wealth at costs below what the acquisition of that wealth would have required before the creation of the rentier space, that is, the declaration of war and its attendant sanction of violence. With this

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[178] Alan Watson, *International Law in Archaic Rome: War and Religion*, Ancient Society and History (Baltimore: Johns Hopkins University Press, 1993), 27. None of the three scholars cited here, and I think they are the best on the subject, make any mention whatsoever of rent. They are working within a legal not economic framework. Yet the applicability of their arguments to a rentier framework is striking.
[179] William V. Harris, *War and Imperialism in Republican Rome, 327-70 B.C*, New Edition, ACLS Fellows’ Publications (Oxford : New York: Clarendon Press ; Oxford University Press, 1985), 170.
[180] Harris, 171.

metric in hand, one can attempt to assess whether a military conflict produced any rent. What follows is a brief catalogue of engagements intended to shed light on that matter.

Rent Seeking Unleashed

The first battle for which we have a clear statement giving an indication of rent captured is the one discussed above between the Romans and Albans around 670. The request that Tullus makes to Mettius after the decisive contest as reported by Livy is all together plausible. He asks him: "to hold his young men under arms, saying that he should employ their services, if war broke out with the Veientes."[181] And with the acceptance of that request Rome booked a tidy amount of rent. Namely, the difference between what it cost, on that occasion (or more likely, on various occasions), to obtain military service on demand from the Albans and what it would have cost to obtain a mercenary force of the same stature. To the extent that this early conflict so fully reported by Livy can serve as a type of model for later military engagements, one may conjecture that rentier mentality was active in Roman war making.

And there is, indeed, evidence that the Romans took a similar approach in subsequent conflicts. Among the accomplishments of king Ancus, Livy writes:

- "He took the place by storm (Politorium) and adopting the plans of former kings, who had enlarged the state by making her enemies citizens, transferred the whole population to Rome." (1,23,1).
- "The Aventine was therefor assigned to the newcomers, and thither too were sent shortly afterwards the citizens recruited from the captured towns of Tellenae and Ficana." (1,23,2).
- "On this occasion also many thousands of Latins were granted citizenship." (1,23,5).
- "And this reign was a period of growth not only for the City, but also for her lands and boundaries." (1,23,9).

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[181] Livy, (1,26,1).

One begins to see from this that it was not only Rome's skill in fighting that distinguished it, but also its talent for extracting forms of wealth created or offered by others, and not produced by themselves. In the first three cases above, it was wealth in the form of human resources, in the final one, land.

Examples like the capitulation of Gabii, circa 530 BCE, come about not by chance, in my opinion.[182] They were to a great extent engineered by Rome. In this particular case the machinations that Livy constructs are more suitable for a spy-novel than a history. Putting aside the intrigues, one could assume that between Rome and Gabii more historically believable relationships were in place, though decidedly in Rome's favor.[183] The results reflect this. What better outcome for a rentier than to expend no capital and capture an entire city 'sine dimicatione nulla', 'Without a fight'? The story of Attius Clausus, the Sabine, who also came without battle to Rome with a large band of clients, provides a similar example.[184]

After the expulsion of the kings, conflicts continue unabated. Perhaps due to their frequency Livy gives progressively fewer details. He records some outcomes with remarkable brevity. "Volscis devictis, Veliternus ager ademptus.", "The Volsci, having been conquered, were deprived of the Veliternian land."[185] Roman armies are constantly in the field and war making appears to be the city-state's major occupation. Livy inserts a remark that suggests a tectonic shift in Rome's economic configuration. He relates: "But for foreign wars there was almost a superabundance of resources."[186] At this point in its

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[182] Livy, (1,53,4 – 1,54,10).
[183] Auliard, *La diplomatie romaine*, 98. See also Dionysius of Halicarnassus, (4,58,3).
[184] Livy, (2,16,4).
[185] Livy, (2,25,6) and (2,31,4). An economic curiosity, if I may. With the acquisition of territories via warfare, the Romans overcame a huge economic constraint – the inelasticity of the supply of land.
[186] Livy, (2,42,9).

early history the Roman economy had two activities that produced wealth: a subsistence agricultural sector and a booming war making sector. The first of these remained stagnant for centuries;[187] the second built a huge empire. It seems likely that already by 450 BCE classifying Rome as an agricultural economy falls quite wide of the mark.

And at this same point, success at war making was becoming its own rationale. The fetiales are nowhere to be seen. Rome imagines itself surrounded by enemies whose very existence is a sufficient casus belli.

> Other wars, too, were immediately threatening – like the one with the Aequi and the Volsci, who would observe peace only so long as the suffering involved in their latest defeat was passing away, – or were soon to be begun, by the always hostile Sabines and all Etruria.[188]

Finally, by the end of the period we are exploring, war making has become almost automatic. During the consulate of Aulus Postumius Albus and Spurius Furius Fusus, in 464, war was a matter of course: "Haud dubium erat quin cum Aequis alter consulum bellum gereret." "There was scarcely any doubt that the other consul would wage war with the Aequi." The only casus belli mentioned is the enemy's "perpetuo in Romanos odio," "their perpetual hatred of Rome."[189] And the focus of war making appears to have shifted as well. In this later period, booty has become the main objective.[190] At this juncture the Roman economy seems to be teetering on the border between a rentier economy and a Raubwirtschaft.[191]

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[187] Seth Bernard, "Debt, Land, and Labor in the Early Republican Economy," 318. "For the early republic, the sources attest to eleven food shortages occurring in 508 b.c., 492 b.c., 477 b.c., 456 b.c., 453 b.c., 440 b.c., 428 b.c., 411 b.c., 392 b.c., and 383 b.c., and then not again until 299 b.c." He gives Norwood, 2016, as the source.
[188] Livy (2,48.6).
[189] Livy, (2,48,6).
[190] Livy, (3,310), (3,10,1), (3,22,9), (3,31.4).
[191] Arnold Toynbee, *A Study of History*, New edition revised and abridged by the author and Jane Caplan. (London: Thames and Hudson, 1988). Toynbee and others use this term to describe an economy driven entirely by and for the spoils of war.

Chapter VII.

Weighing the Evidence

"If the glove doesn't fit, you must acquit."[192]

This chapter aims to weigh the evidence presented in the previous one with a view to assessing the presence and importance of rentier mentalities and practices in Rome during the period under examination (650 – 450 BCE). The paper asks how a city-state of such meagre natural endowments and weak economic fundamentals was able to rise above its neighbors and establish military and political dominance within that period. The contention is that a rentier approach to accumulating wealth was in some, perhaps important way, responsible for Rome's success. Thus, the argument stands or falls on the degree to which it can be demonstrated that such a mentality existed, was widely dispersed and put into action. In light of this, the chapter will treat the evidence in a tripartite fashion, as it relates to the 1) existence, 2) dispersion, and 3) agency of rentierism in early Rome.

The Existence of Rentier Mentality

A mentality is not material and thus does not leave direct archeological deposits. For example, a well-known mentality like the Protestant work ethic will never have its Pompeii. Its existence and influence are nevertheless quite beyond doubt. At the same time, deeply seated beliefs and mentalities are not often explicitly detailed in written texts. Most often it is the ramifications of these things that are reported. Polytheism, as a

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[192] "Johnnie Cochrane: 'If It Doesn't Fit, You Must Acquit', O.J. Simpson Trial Closing Argument - 1994," Speakola, https://speakola.com/ideas/johnnie-cochrane-oj-simpson-trial-closing-1994.

belief, is not nearly as frequently discussed by ancient historians as is the construction and dedication of temples, the role of priesthoods, the performance of sacrifices and erection of statuary. We will focus, therefore, on investigating practices and institutions whose existence attests to the underlying presence of rentier mentality.

Rentier mentality breeds a readiness to assimilate, integrate, borrow. In short, to make use of things that others have already created. Rome excelled at this, which, in a significant way, distinguished it from its contemporaries. The ancient world was for the most part xenophobic, distrustful or disdainful of outsiders. The Greek use of the term 'barbarian' is but one example. On the contrary, as the quote from Cicero above illustrates, the Romans were more than willing, from very early times, to accept foreigners readily, even those recently inimical.[193] The Albans, Gabini and Claudius offer early examples of this.

This readiness to assimilate extends to institutions as well, even religious ones where one might expect a bit more reticence. Rome, at this early stage, already possessed a host of its own priesthoods and religious practices. Yet, this did not seem to interfere with the introduction of a wholly new one. The open-arm embrace of the ius fetiale is a further example of a mentality which was more than ready to appropriate.

Perhaps the most important signal that a rentier mentality was firmly establishing itself in the early Roman mind is given by the restructuring of the armed forces, often attributed to Tullius Servius, during the mid-sixth century.[194] It had become clear by that

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[193] Marcus Tullius Cicero, "M. Tullius Cicero, For Cornelius Balbus, Section 31," https://www.perseus.tufts.edu/hopper/text?doc=Perseus%3Atext%3A1999.02.0014%3Atext%3DBalb.%3Asection%3D31: "it was expedient to increase the population of this city by the adoption of even enemies as citizens."
[194] Livy, (1,42, 5ff).

time that external rents, important contributions to the society's aggregate wealth, could be obtained via military engagements. Indeed, perennially weak agricultural production resulted in a growing awareness that external rents from warfare likely offered the most promising route to increasing the city-state's wealth.[195] The more rationally and efficiently organized the military forces, the more of these rents the society would be able to capture. This restructuring of the army gives a fascinating example of what today would be labeled 'state intervention in economic policy'. It is not unlike what took place among the so-called 'Asian Tigers' beginning in the 1960's, when South Korea, Taiwan, Hong Kong and Singapore all adopted national policies that focused these countries' economic forces on export industries. They recognized the potential and restructured accordingly. The reorganization of the military suggests that Romans also recognized a potential source of wealth. But importantly, the emphasis is not on agriculture, manufacturing or trade. The focus is on the extractive potential of the economy, a hallmark of rentier thinking. Tullius Servius's military and the Asian Tigers' economic restructuring are steps taken with the same ultimate goal in mind but in diametrically opposed directions. The Romans strategy focuses on extraction of existing wealth; the Asian Tigers on production of new wealth. This epitomizes how sharply Roman mentality differed from the modern and illustrates the rentier undertone of that mentality.

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[195] Bernard, "Debt, Land, and Labor in the Early Republican Economy," 318. He gives a list of eleven food shortages between 508 and 428, citing Norwood, 2016. Livy offers abundant examples of Roman crops being destroyed by invaders: (2,23,5), (2,26,1), (2,30,5-6), (2,5,3). (3,4,7) and so on.

How Widely was Rentier Mentality Dispersed?

Rentier mentality is an elite mentality. Or put another way, those outside the elite groups have a very limited range of possibilities to practice rentierism even if they share the mentality. In light of this, the focus here is on the elite. The four activities examined above were all carried out by the elite. Diplomacy, protection, lending and military leadership all required membership in the elite. The original elite groups, united during the state formation process, had created local monopolies according to North and enjoyed the rents that arose from these.[196] Therefore, as Rome entered the seventh century its elite was no stranger to rentierism and its practice. In fact, the elites' position depended to a great degree on its ability to maintain existing rents and engineer new ones. They achieved the second of these through the introduction of new institutions or by transforming existing ones. Examples of this are given immediately below. The evidence we have seems to support the proposition that the rentier mentality was widely shared by the elite.[197]

Did the Mentality Give Birth?

As mentioned, mentality is incorporeal. It may well exist and be widely dispersed yet if nothing concrete emerges from it, it remains a phantom. A key measure of the societal importance of a mentality is given by the practices, protocols, laws, conventions and institutions it inspires and informs. To put it in popular terms, a mentality must have

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[196] North, *Violence and Social Orders*, 30.

[197] Davidson, "Establishing Control." By way of comparison, this is certainly true of the modern Mideastern oil economies. The royal family and princes of Saudi Arabia doubtless embrace rentierism. It has made them each as rich as Croesus. Whether or not the non-elite of that country share this mentality is not clear and probably not material. It was likely the same case in early Rome.

agency to have importance. By that measure, the rentier mentality was indeed very important in early Rome. It was prolific.

The influence of rentier attitudes and approaches can be seen in four important conventions, all discussed above: 1) patrocinium, 2) ius fetiale, 3) nexum and 4) the restructured army. All of them redolent of rentierism. The first three created rentier spaces within which rent seeking could be, and was, successfully carried out. The fourth of these organized the vehicle that was to become Rome's most powerful rent generator. Additionally, the political structure of early Rome, both under the kings and after, was one of elite rule, an essential feature of a rentier economy.

One cannot claim, of course, that the rentier mentality was directly responsible for all this. "The complexity of entangled phenomena" eliminates the possibility of finding a smoking gun.[198] An uncountable and unknowable number of factors entered into the formation and creation of these practices and conventions. When viewed through the lens of rentierism, though, and judged by its measures, the four institutions all pass muster with flying colors. Their rentier parentage is patent. The glove seems to fit.

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[198] Dench, *Empire and Political Cultures in the Roman World*, 156

Chapter VIII.

Conclusions

This chapter contains the major and the supporting conclusions of the paper and introduces an important corollary that emerges from them. It closes with a quick leap into the future (of the past) and suggestions for further directions of inquiry.

The Supporting Conclusions

1. An extractive rather than productive approach to gathering wealth became ever more prevalent during the period under exam. The mentality and practices that took root in the state formation process both strengthened and articulated themselves in new conventions and practices in that period.
2. Rome's uniqueness and its advantage was its resourcefulness in creating rents. Unlike the modern rentier economies of the Middle East, however, whose source of rents lie below the ground they stand on, the Romans had to create their rents. This makes them quite unique.
3. Their genius lay in the ability to create rentier spaces and extract rents in a fashion that often made them long lasting or permanent.
4. The advantage they gained was enough, perhaps just barely enough, to enable them to reach a position of dominance in central Italy. But progress was excruciatingly slow, hotly contested, and not guaranteed. Rents may have been the deciding factor.

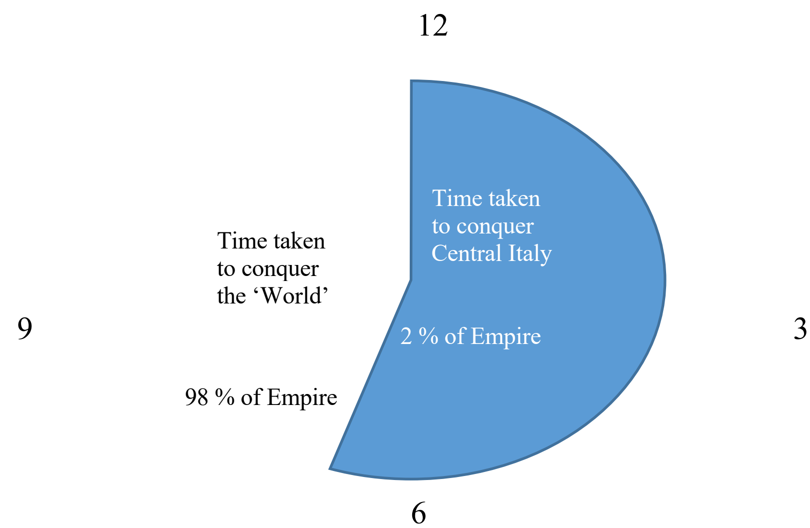

Figure 3. The Conquest Clock.[199]

Final Conclusion

Between 650 and 450 BCE, the Romans' clever and creative balance of ruthlessness, practicality and accommodation became a fine art of rentieristic appropriation which was pivotal to funding its early expansion.

The Significant Corollary

The economy was embedded in political, social, military, legal and religious structures which underwent profound changes. It, perforce, changed with them. By the end of the period, 450 BCE, Rome was no longer an agricultural economy. It was a mixed economy wherein rents had become the major source of wealth generation.

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[199] Rein Taagepera, "Size and Duration of Empires: Growth-Decline Curves, 600 B.C. to 600 A.D," *Social Science History* 3, no. 3–4 (1979): 125, https://doi.org/10.1017/S014555320002294X.

A Leap: The Future of the Past

Among the delights of history is that it gives one the ability to choose some point in the past and see that point's future, something that cannot be done from the present. So, why not take advantage of this Janian faculty and trace out briefly how the rentier practices pioneered by our early Romans fared in a future unknowable to them but known to us?

- Treaty making. With Rome's ever greater military advantages apparent to all, this practice became almost automatic. The fetiales, imprecations, spear-chucking and woolen hats all but disappeared. Terms were dictated, not discussed. Rents mushroomed.
- Debt. With the passage of the lex Poetelia Papiria abolishing *nexum* in 326, the problem of debt seems to have diminished. But that may be due to Livy's disinterest in recording it. Sallust gives a different picture.[200] Perhaps most interesting, in the final decades of the Republic, debt appears to have been a challenge for the upper class as well. Cicero was forced to borrow heavily to pay for his swanky digs on the fashionable Palatine Hill and the debts piled up by Julius Caesar are legend.[201]
- Protection rackets. Here is where Rome hit the jackpot.[202] Along with smaller and medium states who bought this kind of protection from (and against) the SPQR,

[200] "Sallust, Catilinae Coniuratio, Chapter 24.3," https://www.perseus.tufts.edu/hopper/text?doc=Perseus%3Atext%3A2008.01.0002%3Atext%3DCat.%3Achapter%3D24.

[201] "Plutarch, Caesar, Chapter 5.4," https://www.perseus.tufts.edu/hopper/text?doc=Perseus%3Atext%3A1999.01.0244%3Achapter%3D5%3Asection%3D4. "We are told, accordingly, that before he entered upon any public office he was thirteen hundred talents in debt."

[202] Bang, "Trade and Empire: In Search of Organizing Concepts for the Roman Economy," 42.

two large and wealthy kingdoms were given up for their own 'safety': the kingdom of Pergamon, thanks to Attalus III, and the Mega Millions© payout of all times, the vast and rich realms of Egypt, thanks to Ptolemy XII Auletes, under whose tragically laughable leadership Egypt became a slavish client of Rome.

- War making. This is one of the few, maybe the only, case of historiography where Hollywood does not merit the dunce's corner. It is true. Rome's history is really, really gory and bloody and nasty and full of bravery and treachery and intrigue and pageantry, and on and on. Rentierism as a driving force gets lost in all that and gives way to things that make good movies. But the important point here, and the cinematographers do not miss it, is that Rome grew shamefully rich through war. Hopkins points out that: "The main source of new wealth for nobles was provincial government." and: "the conquering elite of the Romans gradually acquired wealth commensurate with their conquest of the Mediterranean basin."[203] Badian's remark, as he himself admits, is a bit mind-boggling: "Pompey left the East not only as its patron, but to a considerable extent (and one hard to realise today) literally as its owner."[204]

He adds that rentier ethic had become public policy: "Rome had certainly come to feel that she should not, as victor, be expected to pay for her wars."[205]

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[203] Keith Hopkins, *Conquerors and Slaves*, Sociological Studies in Roman History; v. 1 (Cambridge; New York: Cambridge University Press, 1978), 41,47.
[204] E. Badian, *Roman Imperialism in the Late Republic,* 2nd ed. (Oxford: Blackwell, 1968), 83–84.
[205] Badian, 19.

Finally, Chantal Gabrielli points to a moment in time, the annexation of the Ager Veientanus in 396, when the death knell sounds for the primacy of agriculture and at the same time rings in the ascendency of rentierism.[206]

> La Guerra contro Veio, episodio emblematico della storia militare di Roma, rappresenta un momento di svolta nella politica militare ed economica dell"Urbe. Le decisioni, che verranno prese, durante questa Guerra, sia in campo militare con l'istituzione dello stipendium nel 406 a.C. che in campo economico con la completa annessione dei territori conquistati allo stato romano e la distribuzione della praeda Veientana tra i soldati, contribuirono a determinare una nuova concezione politica."207
>
> The war against Veii, an emblematic episode in the military history of Rome, represents a directional turn in the military and economic policies of the City. The decisions that were taken during this war, be it in the military field with the institution of the *stipendium* in 406 or in the economic area with the complete annexation of the conquered territories to the Roman state and the distribution of the *praeda Veientana* amongst the soldiers, contributed to setting a new political course.

Further Directions

The rentier framework is being used to explore a widening range of modern-day subjects.[208] But it has not, to my knowledge, been applied often to studies of the past. It may offer a new approach to investigating the rise of empires. And especially those that arose, like Rome, from a meager asset base. The ascendancy of the Caliphate from 632 CE comes immediately to mind.

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[206] Livy, (4,21,1ff).

[207] Chantal Gabrielli, *Contributi alla storia economica di Roma repubblicana: difficoltà politico-sociali, crisi finanziaria e debiti fra V e III sec. a.C*, Biblioteca di Athenaeum 50 (Como: New press, 2003), 84–88.: The introduction of the stipendium, (for my money!) establishes a new level for the army's role in wealth generation in two ways: first it makes the army a professional force and thus the main driver of wealth generation and second, which is in a way a corollary of the first, it makes agriculture officially the poor cousin of the economy.

[208] Bi Puranen and Olof Widenfalk, "The Rentier State: Does Rentierism Hinder Democracy?," in *Values and Perceptions of the Islamic and Middle Eastern Publics*, ed. Mansoor Moaddel (New York: Palgrave Macmillan US, 2007), 160–78, https://doi.org/10.1057/9780230603332_7.

My paper suggests that, when it comes to economics, mentality matters. Economists mostly agree that there are three kinds of economies: traditional, market and command, which may be true. That is, however, a bit like saying that there are only three true colors: red, blue and yellow, which is definitely true. But what about opaline, taupe, nacre, chartreuse, carmine, puce? There are as many mentalities as there are colors.[209] And mentality drives human behaviors, including economic behaviors. In order to avoid getting stuck in a categorical, overcoherent rut, it behooves researchers of the ancient economies to allow that there is a good deal more in play when people make economic decisions that can be captured by even the most elegant model or equation.

That notion may be gaining wider acceptance, as Terrenato notes:

> Leaving strong teleological assumptions by the wayside, and focusing instead on the actual agents in the process and on their mentality, may hold the key to opening new insights on the nature of archaic power among these communities.[210]

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[209] Quot homines, tot sententiae.
[210] Terrenato and Haggis, *State Formation in Italy and Greece*, 232.

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