

The Late Roman Economy

Emperor Diocletian (r. 284-305 AD) and his successors made a number of reforms to the Roman economy, the ultimate result of which was greater control over the economy by the Roman government. The Roman government used institutions and structures originating from earlier times and repurposed them for their own needs. While the Roman government seems to have sought complete control over its economy, the great size and complexity of the empire meant that an ancient government could not truly enforce such control.

Currency Reform

Due to the tendency to devalue the currency, by the end of the Crisis of the Third Century, the old Roman denarius, which had formerly been the primary currency, had become essentially worthless. Diocletian attempted to fix the situation by introducing a new coin, the solidus, struck from gold. The solidus was only struck in small quantities under Diocletian, but Constantine (r. 306-337) turned it into the primary currency of the Roman Empire. The empire debased the solidus was in the tenth century.

The gold solidi were very valuable; however, most people conducted their day-to-day transactions with bronze coins. These coins were vulnerable to high inflation. Diocletian attempted to keep the inflation in check by issuing his Edict on Prices, regulating low prices as to keep inflation down. The attempt failed as goods simply moved onto a black market. This continued until the reign of Emperor Anastasius I (r. 491–518), who issued medium-valued bronze coinage which were kept at constant values.

Tax Reform

Emperor Diocletian massively reformed the Roman tax system. In the wake of the Crisis of the Third Century, was forced to requisition supplies from the provinces in order to continue to function. Diocletian turned this requisition into a tax, replacing the old, outdated forms of taxation. Instead of being collected in the virtually worthless Roman currency, taxes were instead collected in kind, that is, in the form of products such as supplies and food. This gave Diocletian the opportunity for a massive reorganization of how the empire taxed. Diocletian and his administrators came up with a basic unit of taxation, *iuga* (perhaps also called *capita*). The *iuga* was based on land and labor, but in order to be fair, it also took into account the fertility of the land, the value of the local crops, etc. With this information, the Roman government could calculate the expected productive output of the Roman Empire on a year to year basis. New censuses would update the information every 5-15 years. When the government calculated its needs, such as how much food, wine, and tunics the army needed, it simply had to determine how much each *iugum* had to produce and then divide that among the tax payers. Roman government could plan ahead in a way they never had before. This basic system continued even after Roman currency was restored and the

government continued to collect taxes in coinage, as in certain taxes the tax burden of supplies was translated into a monetary amount.

The Roman government itself did not collect the taxes; this would have been too complex and difficult an operation for the resources of the ancient government. Instead, the responsibility fell on the curial class. *Curiales* were members of local city councils, and in order to build prestige among their citizens and demonstrate their fitness to rule, they often paid out of pocket for the construction of temples, the sponsorship of games, and other things that benefitted their citizens. The Roman government required them to pay the tax burden of their cities out of their own pockets in exchange for the right to pass on the taxes to their people. Essentially, the Roman government made the *curiales* their tax collectors. If they fell short of collecting what their city owed in taxes, they would have to make up the difference with their own money. Thus, membership in the curial class could be financially ruinous, and many tried to escape by enrolling in positions that granted exemptions from curial responsibilities, such as the army, the imperial bureaucracy, or the Church. By the sixth century, the *curiales* gradually disappeared. As the curial class disappeared, the responsibility of governing cities, as well as raising funds to forward to the government, fell to the Church and local bishops.

Agricultural reform

As the Roman Empire expanded, an influx of slaves from conquered lands entered the empire. There were a huge number of slaves in the late republic and early imperial Rome, and the empire became dependent on slave labor. However, as the expansion of the Roman Empire slowed to a stop, the availability of slaves declined. Another related problem was that large portions of land had been deserted, which resulted in no one farming this land. The Roman state was eager to see productivity on this once abandoned land.

In order to ensure that land was farmed and that taxes and a steady supply of grain was sustained, the Roman state bound tenant farmers to the soil for life. These farmers were known as *coloni*, and they were legally required to remain on the land as farmers. Their children were required to follow them in working this land. Though they were forced to work the land, usually on a larger estate belonging to a wealthy land owner, they were not slaves. *Coloni* were legally entitled to the land they worked, and thus *coloni* could not be moved or sold as slaves could. Though the creation of the *coloni* was likely initiated by Diocletian, they were first mentioned in a law of 332. In the face of heavy taxation or barbarian attacks in the fifth century, many people offered themselves up as *coloni* in order to gain the protection of a powerful landowner.

Labor Reform

Diocletian also created government monopolies over certain industries deemed essential to the Roman state, such as arms production and the production of purple silk (the symbolic material of the emperor). He also began a gradual process of tying workers to certain industries for life and required that their sons follow them in the trade, much like *coloni*. The basis of this reform was the *collegia*, or guilds, that had operated

as social or fraternal organizations of workers. The Roman government made membership in these organizations obligatory and required that members remain in their industry and supply some portion of their production to the state, typically at a much lower price than normal. This was designed to ensure that goods and commodities deemed essential—such as weapons, armor, bread, clothes, etc.—would be available. Though normally a worker was required to remain in the *collegia* for life and be succeeded by his son, it is clear that this was often not the case, and the government had a great deal of trouble enforcing this system.

In fact, while the late Roman emperors at times seemed to endeavor to create a caste system, a highly rigid society with people fixed in their jobs and class, the Rome state was never really able to accomplish this. While the late Roman economic and social system is seen as the beginning of the strictly hierarchical society of the Middle Ages, social and political mobility were still possible, especially in the eastern half of the empire.