

5-17-2012

Origins of Money

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How Money Came About:

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Temples, Traders or Taxes?

Theoretical Perspectives

- Metallism
 - Trade
- Chartalism
 - Taxation
- State-Religious
 - Religious ritual

The Metallist View

- Medium of exchange
- Replaces barter
- A thing, an object
- A technological break-through
- Superior commodity
- Intrinsic value
- Harmonious institution
- Voluntary exchange
- A creature of the private sector

The Chartalist View

- Greek *chártēs*, lit. something to make marks on
- Unit of account
- Replaces in-kind taxation
- The only unit in which taxes to the state are denominated and have to be paid
- The state is the monopoly producer/supplier/issuer
- A debt relationship between the state and the underlying population
- Intrinsic value does not matter
- Money as a coercive institution

Historical Context

- Greece 700-500 B.C.
- Marginality of domestic and foreign trade
- Gift-giving between members of different groups
- Redistribution within a group (including distribution of sacrificial animals at the rituals of communal sacrificial meals)
- Rewards for service
- Unequal distribution of wealth
- Transition from governance by aristocratic elites to the democratic city-state

Rituals of Communal Sacrificial Meals

- Administered by religious authorities
- All-inclusive and egalitarian (allocating 'due share' to each)
- Money as a reward; means of recompense; certificate of contribution
- Roasted meat as the first form of money
- Distribution of roasting spits
- Distribution of coins
- Iron spits known as *obelos*. *Obolos* is the name of the 6th century B.C. silver Greek coin. Another 6th century B.C. Greek coin of a larger denomination, *drachma*, originally meant a handful of six spits (or a handful of six *obeloe*)

Alternative Story

- Sacrifice as an “early agent of monetization”
- Coinage evolves alongside the development of the Greek *polis*
- The *polis* emerges as the new authority over distributive justice
- Coinage as a means of recompense administered by the *polis* to its citizens
- Acceptance of coinage signifies recognition of the civic authority of the *polis*

Alternative Story

- Aristocratic resistance to silver coinage
- The choice of silver (the middling metal) was not an accident
- Gold belongs to the sphere of aristocratic gift exchange
- Silver coinage as the creature of the city-state
- The power of coinage is “egalitarian”
- Metal itself was important yet its significance had little to do with commerce

Alternative Story

- Metallist theories do not withstand an empirical test
- Marginality of trade
- Roasted meat – roasting spits – coins (from perishable to durable objects; related to the crisis of unequal distribution of wealth)
- Distributions of metallic objects during communal rituals purport to rectify the crisis of unequal distribution of metallic wealth
- The causal role of money and egalitarian ideology in creating a façade of social justice and equality while inequality and injustice are being perpetuated (via the use of money)

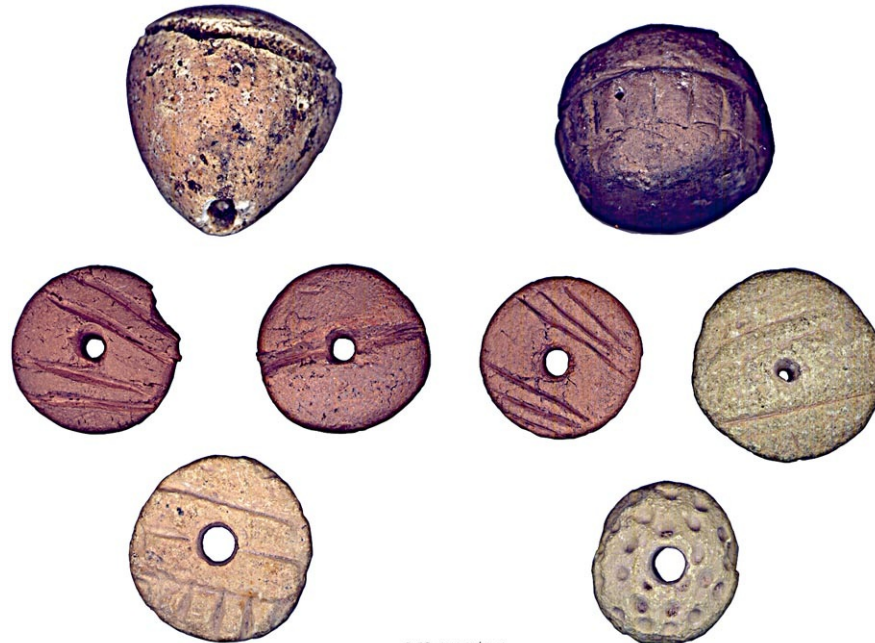
Alternative Story

- Money as a unit through which the state restores distributive justice
- Money as a unit through which the state extinguishes its debt to the underlying population
- Monetary taxation and the use of coinage in fiscal context develop later during the classical period
- Money as a material and ideological means of restoring distributive justice
- Possession of coinage is a symbol of a citizen's civic identity and *his* acceptance of the political authority of the *polis*

Ancient Mesopotamia



Mesopotamian Clay Tokens ca. 4000 B.C.



MS 4522/1-8
Complex counting tokens. Near East, ca. 4000-3200 BC

Mesopotamian Clay Tokens

- No one knows for sure what function the tokens performed
- Each token represented a specific 'commodity' (e.g. barley, oil, livestock, textiles, garments, jewelry, perfume, etc.)
- The token shape and/or the markings on the token surface indicated which good the token represented
- E.g. ovoid-shaped token stood for a jar of oil
- E.g. three ovoid-shaped tokens = three jars of oil

Mesopotamian Clay Tokens

ca. 3500 B.C.



Mesopotamian Clay Tokens



Mesopotamian Clay Tokens



MS 4632
Bulla-envelope with 17 plain tokens
inside. Near East, ca. 3700-3200 BC

Ancient Mesopotamia

- Highly developed urban civilization
- Large city-centers
- The City of Eridu: 6.200 – 10.000 inhabitants ca. 3700 B.C.
- The City of Uruk: 10.000, 20.000, and 50.000 inhabitants ca. 3700 B.C., 3400 B.C. and 3100 B.C. (respectively)
- Large-scale works of art, monumental architecture, palaces, temples, public buildings

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- A possible function performed by tokens in the process of ‘taxation’ (payment of in-kind obligations to the temple)
- Tokens as official ‘receipts’ given by Mesopotamian temple officials to the ‘tax-payers’ upon delivery of goods
- Tokens would stand for the goods contributed (“taxes” paid) to the temple
- Token(s) would certify a fulfillment of the payment obligation to the temple