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Abstract
Markets are key contemporary institutions, yet there is little agreement concerning their history or diversity. To complicate matters, markets have been considered by different academic disciplines that approach the nature of such exchange systems from diametrically opposed perspectives that impede cross-disciplinary dialogue. This paper reviews the theoretical and methodological issues surrounding the detection, development, and significance of markets in the preindustrial past. We challenge both the view that marketing is natural and the perspective that market exchange is unique to modern capitalist contexts. Both of these frameworks fail to recognize that past and present market activities are embedded in their larger societal contexts, albeit in different ways that can be understood only if examined through a broadly shared theoretical lens. We examine the origins, change, and diversity of preindustrial markets, calling for multiscalar, cross-disciplinary approaches to investigate the long-term history of this economic institution.
Broad concepts such as “markets” and “states,” or “socialism” and “capitalism,” do not take us very far in thinking about patterns of order in human society. Markets are diverse and complex entities. Markets for different types of goods and services may take on quite different characteristics. Some may work well under impersonal conditions. Others may depend upon personal considerations involving high levels of trust among trading partners. In other words, the options are much greater than we imagine, and we can see this is true if we don’t allow our minds to be trapped within narrowly constrained intellectual horizons. (Ostrom 2003, p. 1)

INTRODUCTION

We turned to look at the great market place and the crowds of people that were in it, some buying and others selling, so that the murmur and hum of their voices and words that they used could be heard from more than a league off. Some of the soldiers among us who had been in many parts of the world, in Constantinople, and all over Italy, and in Rome, said that so large a market place and so full of people, and so regulated and arranged, they had never beheld before (Díaz del Castillo 1956, pp. 218–19).

Upon entering the Basin of Mexico in the sixteenth century, Díaz del Castillo and other Spanish conquerors were awestruck by the bustling central Aztec marketplace at Tlatelolco, which shared an island location with the Aztec imperial capital, Tenochtitlán (now Mexico City). Another account (López de Gómar 1966, p. 160) related that this marketplace was “so large...that it will hold seventy thousand or even one hundred thousand people, who go about buying and selling...not only from the vicinity, but from farther off.” This latter account situates this central market on an island in Lake Texcoco, the hub of a network of smaller markets scattered in towns around the lake in the Basin of Mexico. A third account (Torquemada 1943, p. 580) documents marketplace transactions: “[A]pproaching the exchange, neither one nor the other says a word; she who arrives presents the item she brought and the other, seated, looks at it. If she is interested, she takes it into her hand. Judging that it is too little, she squeezes it and looks at the rest of what the other has brought to sell, which is a signal that she likes what is offered, but that the quantity is too small, that she demands more. And in this manner they haggle with each other until she feels that what she is offered is sufficient; and if the one who is standing does not want to offer more, she reclaims her item and moves on to the next merchant, still without saying anything.”

As documented by these sources (see also Cortés 1977), it has long been recognized that the Aztec marketplace at Tlatelolco was crowded, stocked with a wide array of local and exotic goods (Sahagún 1950–1982, pp. 65–78), and stood at the apex of a hierarchical network of marketplaces (Berdan 1985; Blanton 1996, pp. 68–80). At the same time, Torquemada (1943, p. 580) provided perspective on how prices were set, while evidencing economic transfers that took place between individuals who seemingly were not close social associates. Various currencies, including copper axes, reams of cloth, and cacao seeds, were used in this system of markets (Berdan 1982, p. 43), and the apparent counterfeiting of cacao pods hints at a motive to profit (Oviedo y Valdés 1851–1855, p. 316; Sahagún 1950–1982, p. 65). Observations such as these make clear that Aztec markets were not qualitatively different from more modern ones, leading us to question the unbridgeable chasm that some scholars have posited between the operational principles of ancient and modern economies.

Yet, despite the size and complexity of the Aztec market system, the critical role of market activities in the prehispanic Mesoamerican world has received relatively little attention in anthropological archaeology, particularly before the past two decades (Blanton 1983; Braswell 2010; Feinman & Nicholas 2004, 2010; Garraty 2010; Hirth 1998, 2010; Smith 2010; Stark & Ossa 2010). Neither the historical roots of this system (Blanton 1996,
Minc 2006) nor the nature of marketplace exchange in other regions of Mesoamerica before the Spanish Conquest have been thoroughly investigated (but see Braswell 2010, Braswell & Glascock 2002, Dahlin et al. 2010, Feinman et al. 1984, Feinman & Nicholas 2004, Hirth 1998, Nichols et al. 2002, Pluckhahn 2009, Stark & Ossa 2010). Rather, most studies of Mesoamerican economies take the existence of markets largely for granted and devote little attention to their scale, structure, level of integration, or role in domestic economic strategies. In the case of the Aztecs, most analyses have stressed the links between marketplace exchange and other mechanisms of distribution, such as tribute and long-distance merchant activities (Berdan 1977, 1983), as well as political oversight of market activities (Carrasco 1978; 1983, pp. 73–79; Hassig 1982; Hicks 1987; Kurtz 1974). In fact, the importance of ancient Mesoamerican markets generally has been downplayed in synthetic treatments of the region’s economies (e.g., Carrasco 1978, 2001; Sanders et al. 1979, pp. 404–5). When pre-Hispanic Mesoamerican economies have been considered, emphasis has been placed on the presumed lack or limited scope of land and labor markets rather than on the sizable volume of marketplace exchange for nonfactor commodities (e.g., food, craft goods), pricesetting mechanisms, or the degree of economic commercialization (Carrasco 1978, 1983).

Despite the recognized importance of marketplaces in many regions of the preindustrial world (e.g., Blanton & Fargher 2010; Claessen 1978, table 2), such as Greece (Morris 1994, p. 366; Osbourne 1991, pp. 136–40), Rome (de Ligt 1993; Geraghty 2007; Greene 2000; Storey 2004; Temin 2001, 2004, 2006), Mesopotamia (Gledhill & Larsen 1982, Hudson 2002, Silver 1983), medieval Europe (Gronbach 1999), China (Shen 2003; Tao 1999, pp. 119–20), and Africa (Curtin 1984, p. 58; Fleisher 2010; Law 1992; Uzoigwe 1972), archaeological syntheses have devoted insufficient attention to early markets compared with other issues relevant to premodern economies, such as tribute or craft production (Minc 2006, p. 82; Smith 2004). Prior to a recent contribution (Garraty & Stark 2010), few archaeological volumes have tackled premodern markets and marketplaces in comparative perspective (compare Hodges 1988), an intellectual lacuna that is hard to understand without delving into the disciplinary histories and rigidified cross-field academic boundaries that have tended to segregate much of economics from the study of economic history (Findlay 2005, p. 19; Solow 1985, 2005) and has fostered a basic decommercialization of ancient economies (Adams 1974; Oka & Kusimba 2008, p. 345).

In archaeology, the limited attention given to market exchange and marketplaces owes much to the broad influence of Polanyi (1944, 1947; Polanyi et al. 1957) and those who translated and developed key tenets of his approach in economic anthropology (e.g., Bohannan & Dalton 1962; Dalton 1961, 1968, 1975, 1978; Sahlins 1972) and classics (Finley 1999). Although the longstanding formalist-substantivist debate in economic anthropology has been declared over (Halperin 1984, Isaac 1993), its unfortunate legacies include the tendency among archaeologists to view the issue of preindustrial market development and the relative nature and degree of market exchange through the optic of an oversimplified “market/no-market dichotomy” (Wilk 1996, pp. 3–14; 1998, p. 469). Perhaps, related to these conceptual limitations and despite recent advances (Abbott 2010, Feinman & Nicholas 2010, Hirth 1998, Minc 2006, Stark & Garraty 2010), archaeologists still lack a sophisticated set of procedures or toolkit for unequivocally detecting marketplaces, market exchange, and the diversity of market-related activities, especially when investigating times and places where documentary sources do not exist (Hirth 1998, Stark & Garraty 2010).

Nevertheless, despite these conceptual and methodological hurdles, the historical diversity and importance of preindustrial marketplace exchange and market systems has begun to gain greater attention in a number of disciplines over the past two decades (e.g., Friedland & Robertson 1990, Garraty & Stark 2010, Lie

**Market exchange:** economic transactions where the economic forces of supply and demand are highly visible and where prices or exchange equivalences exist
Marketplaces: physical places in which market exchanges are generally conducted at customary times.

Market concept or model: an idealized conception that an economic (market) system is the cumulative effect of market transactions between self-interested buyers and sellers.

With the contemporary global financial crisis, the core tenets of economic theory are also undergoing an unprecedented reevaluation (e.g., Arnsperger & Varoufakis 2006, Buiter 2009, Cassidy 2009, Dequech 2007–2008, Hodgson 2009, Krugman 2009) that even in these early stages has opened the door for greater communication among social scientific disciplines concerning market operations, development, and diversity (Ensminger 2002, p. xviii). In the face of these intellectual shifts, the time is appropriate to take stock of what is known about preindustrial marketplaces and market exchange (Swedberg 2005, p. 249). We approach this topic by first offering a series of working definitions.

We review recent archaeological approaches toward the identification of marketplaces and market exchange (see also Stark & Garraty 2010). Final sections look forward to critical issues for future studies of preindustrial markets, as ideas regarding the origins of and variation in market exchange systems require a long-term historical perspective (Braudel 1985).

KEY DEFINITIONS

It is paradoxical that at a time when markets pervade almost all aspects of our lives and economic theory is applied to research issues across the academic spectrum (e.g., Becker 1976, Levitt & Dubner 2005), the market still can be described as “the hollow core at the heart of economics” (Lie 1997, p. 342). Economists as well as other scholars have devoted relatively little attention to defining and methodically distinguishing market exchange, marketplaces, market systems, and the market model (Barber 1977, p. 19; Coase 1988, pp. 7–8; North 1977, p. 710; Pryor 1977, p. 31; Rosenbaum 2000; Swedberg 1994, p. 257). In addition, the concepts that economists do employ often are not well aligned with those outlined in other disciplines (Dilley 1992b, pp. 1, 13; 1996; Swedberg 1994, 2005). The challenge here is to develop a set of working definitions that neither stultify research nor become the central focus of academic discussion and that encourage analytical practice as well as dialogue across a range of disciplines. We seek definitions that neither narrowly equate the market with Euro-American capitalism nor are so broad that they subsume all human exchange, which extends back more than 12,000 years (Bar-Yosef 2002, p. 367).

We find that many existing definitions of market-related concepts tend to be overly broad or restrictively narrow for the purpose of understanding preindustrial market systems. For instance, Bitzenis & Marangos (2007, p. 604) broadly describe the market as “a process in which individuals interact with one another in pursuit of their separate economic objectives.” In a similar vein, Gravelle & Rees (1992, p. 3) see that “a market exists whenever two or more individuals are prepared to enter into an exchange transaction, regardless of time or place.” Yet, Bitzenis & Marangos (2007, p. 604) adopt a much narrower definition of the concept of market economy, dichotomously contrasting such economies with state-controlled or planned economies and thus conflating market exchange systems with the presence of a “free,” self-regulating market. This definition exemplifies a longstanding and erroneous perspective that presumes an oppositional and antagonistic relationship between “public” state and “private” market aspirations and objectives (a topic we explore below).

Ironically, Polanyi (1944, p. 68), whose ideas often are juxtaposed with those of neoclassical economists, likewise adopted a narrow definition of market exchange as “an economic system controlled, regulated, and directed by markets alone.” He further adds, “All goods and services, including the use of land, labor and capital, are available for purchase in markets and have, therefore, a price” (Polanyi 1957a, p. 247). For Polanyi (1944, pp. 43, 54–55; 1957a, pp. 247, 266–69), consequential market exchange did not exist prior to the
advent of Western capitalism (e.g., Humphreys 1969, pp. 166, 184), a development that he placed in nineteenth-century England. In part, the writings of Polanyi and his associates (e.g., Dalton 1975, pp. 86–91; Sahlins 1972, p. 300; compare Cook 1966) erroneously prompted an analytical dichotomy between recent Euro-American market systems and other non-Western (as well as prenineteenth-century European) economies in the disciplines of anthropology, archaeology, and ancient history (Blanton & Fargher 2010; Hejeebu & McCloskey 1999, p. 291).

Our definitions are broader than Polanyi’s but narrower than the above conceptualization by Gravelle and Rees, as we recognize that marketplaces and market exchange have a long history and must encompass significant empirically documented variability. We conceptualize market exchange as economic transactions where the forces of supply and demand are visible and where prices or exchange equivalencies exist. In theory, market exchanges may be atomized/impersonal or personal/embedded (Granovetter 1985). However, in practice (as we discuss in the next section), all market transactions presuppose social relationships among the parties to an exchange and so are embedded (Barber 1995, Lie 1991, McCloskey 1997), albeit to greatly varying degrees and in distinct ways. Our definition owes much to Pryor (1977, p. 437, see also pp. 31–33, 104–8), and we follow his usage of “visible” as meaning that important changes in relative prices, salient shifts in quantities or availability of goods offered or sought, or the quality of marketed goods available create palpable modulations in supply and demand forces that are perceptible to market participants.

Pryor’s definition isolates the economic realm, but market transactions also presuppose a social context that situates relationships between parties to an exchange (Bestor 2001; Fischer 2009; Plattner 1989a, p. 171). The dissemination of supply-demand information is multifaceted and responsive to a variety of social considerations, including notions of value and fairness, word of mouth, bargaining practices (haggling), the relationships between exchange participants (Dequech 2003, Uzzi 1997), as well as negotiations over price setting involving sellers, merchants, guilds, and trade groups, or by governing officials (Alexander & Alexander 1991; Alexander 1992; Block & Evans 2005, pp. 506–8). We have amplified Pryor’s perspective to recognize the influence of social mechanisms on market price formation (Braudel 1985, p. 227; Minor 1965, pp. 51–53; Swedberg & Granovetter 2001, p. 13).

Our definition of market exchange is broad, in accord with the wide temporal and spatial extent of this practice (Abbott 2010, Hirth 2010, Kohler et al. 2000, Lewis 1989). In this regard, we also recognize that in all economies, ancient or modern, market exchange, when present, coexists with other modes of transfer and exchange (e.g., Davis 1992, p. 25; Pryor 1977), as it did in Aztec times (Berdan 1977). Also important for clarifying our broad definition is how market exchange compares with the concept of barter. Barter has been variously defined as interpersonal transactions without formal media of exchange (Humphrey 1985, Humphrey & Hugh-Jones 1992) and as informal and ad hoc exchanges in which commonly held notions of value equivalencies are initially absent, but ultimately achieved (Blanton 2009). Both definitions have merit. In our view, sporadic exchanges based on supply-demand principles theoretically can transpire in an ad hoc fashion without formal media of exchange, but the increasing scale of market participation and establishment of “rules” of market conduct tend to give rise to more formalized arenas for market transactions based on widely shared perceptions of price and value, possibly facilitated by formal media of exchange (although not necessarily by currencies).

For archaeologists and ancient historians, key research questions focus on increasing participation in market exchange, which prompts the emergence of a market institution, including a system of rules, customs, and a physical and legal infrastructure (North 1990, 1991). Once socially institutionalized, market exchanges become more archaeologically visible,
but this process is neither natural nor inevitable. Our definition of market exchange does not presuppose a link between the frequency of market exchange and any scalar demographic threshold or level of social complexity. Market exchange may become institutionalized even in small-scale, middle-range societies as exemplified by Abbott’s (2010, Abbott et al. 2007) recent argument for market exchange in prehistoric Arizona. When we speak of the physical infrastructure, the most direct example is the marketplace, which we define as arenas where face-to-face market exchanges are conducted at customary times and places. Economically linked marketplaces across regional landscapes are defined as market systems (Christaller 1966; Forman & Riegelhaupt 1970, p. 189; Skinner 1964; C. Smith 1974, 1976), which can take a wide variety of spatial configurations.

On the basis of this perspective, we define markets as social institutions predicated on the market exchange of alienable commodities (Garraty 2010). The social context pertains to the networks of relationships involved in market exchanges and the establishment of prices (e.g., Dequech 2003, Uzzi 1997). By acknowledging the social embeddedness of markets (Granovetter 1985), we do not negate the fundamental role of self-interested economic behavior in market exchange (see also Hirth 2010, Plattner 1989b), although these basic individual interests often may be “satisfied” with other considerations and the minimization of risk (Bowles 1998, Henrich et al. 2005, Levitt & List 2008, E. Ostrom 2000). In formulating these definitions, we have decoupled market-based economic practices from what may be considered the ideological model or concept of the market employed in mainstream economics (Alexander 1992, Carrier 1997, Dilley 1992a). The latter is the idealized conception that an economic (market) system is just the cumulative effect of atomistic market transactions between individual buyers and sellers who act based solely on personal self-interest and independent of social relationships. This conception, which generally is applied to recent Western economic systems, rarely, if ever, conforms to actual practice (Fox 2009).

ADAM SMITH, KARL POLANYI, AND EMBEDDEDNESS

To understand why marketplace exchange has been insufficiently considered and given little significance in preindustrial economies, it is necessary to review the paradigmatic clashes that stretch across disciplines and frame the topic. In anthropology and archaeology, the writings of Polanyi (1944, 1947, 1957a) have long sat at the epicenter of this discussion, while Polanyi’s close associate Moses Finley (1999) largely set the debate for the ancient Mediterranean world. The influential works of Polanyi (Block 2003; Halperin 1984, 1994; Humphreys 1969) were in part a reaction to what he viewed as the dehumanizing and culturally specific tenets of classical and neoclassical economic theories (Polanyi 1944, p. 163). Often traced to Adam Smith (1976), classical economics has adopted a positivist approach underpinned by methodological individualism and the view that humans, governed by self-interest, have a natural capacity for “market rationality.” In contrast, Polanyi argued that models grounded in individual self-interest and market mentality are solely the product of modern capitalism and that “market society was born in England” (Polanyi 1944, p. 30).

In these contrasting frameworks lie the roots of the long-standing dichotomy between the study of past and present economies. When it came to non-Western economies, Polanyi (1944, pp. 115–117) not only rejected economists’ reliance on self-interested individualism, but also argued “that never before our own time were markets more than accessories of economic life” (Polanyi 1944, p. 68). Polanyi (1947) asserted that recent Western economies were qualitatively distinct from other economic systems and outlined criteria for distinguishing recent Euro-American market systems from other economies, including the commoditization of labor and land, the presence of universal money, and perceived
inefficiencies of information flows regarding market conditions in the past (see also Dalton 1968). Polanyi and his associates (Bohannan & Dalton 1962, Carrasco 1982, Dalton 1968) also grounded this binary distinction in what we now know are romanticized views of preindustrial societies, which perceived component households as largely self-sufficient economically and sociopolitical integration as more centralized, less multivocal (contentious) than it often actually was (e.g., Blanton & Fargher 2008; Brumfiel 1992; Goldstone 2002, p. 328; Smith 2004). The generations of scholars guided by his perspectives certainly recognized preindustrial and non-Western marketplace exchange (Bohannan & Dalton 1962; Polanyi 1944, pp. 54–55; 1957a, p. 257), but they also starkly contrasted these economic systems to those of the modern West, which they viewed as dominated by self-regulating, “free” markets, autonomous of sociopolitical institutions (Humphrey & Hugh-Jones 1992, pp. 2–3; McCloskey 1997; compare Block 2003).

The unpacking of the issues behind this intellectual chasm provides avenues for serious cross-disciplinary dialogue. The centrality of the “hidden hand” (entirely free self-regulated market exchange) in Adam Smith’s legacy to economics (Kennedy 2009, Lubasz 1992) has come into question. Although such notions of the self-regulating market (that freely and efficiently moves to broad economic betterment) are central to recent streams of economic thought (Friedman 1982; compare Harvey 2005; Krugman 1999, 2009; Stiglitz 1999), other economists have become less comfortable with this view, pointing to the critical and essential role of government in the market societies of the contemporary West, especially during times of economic crisis (Baker 2009, Hodgson 2009, Krugman 2009, Polanyi-Levitt 2006). Furthermore, as Hejeebu & McCloskey (2004, p. 139) explain, most economists have fixated on Smith’s “hidden hand” argument in The Wealth of Nations but failed to appreciate his broader discussion of ethical and social mores. Clearly, Smith recognized that economic action functions relative to societal customs and values (Evansky 2005).

At the same time, the advent of new institutional economics (North 1977, 1990, 1991, Williamson 1975, 1985) signals a recognition that institutions, such as firms and governments, have a key role (along with individuals) in the establishment of order (definitions of property, affirmation of contracts) necessary for the operation of modern Western economies (Nee 2005; Williamson 1975, 1985) as well as others (e.g., Acheson 2002, Ensminger 2002). More recently, modeling at the scale of the individual has begun to expand beyond simple self-interest to include considerations of cooperation, social transmission, and collective management of resources (Bowles 1998, Mansbridge 1990, Ostrom 2000). These recent theoretical developments point to the prescience of some of Polanyi’s key arguments concerning the social embeddedness of economic action, but not solely for ancient and non-Western economies (Block 1991, Hodgson 2007).

With Granovetter’s (1985) recognition that all economies—past and present, Western and non-Western—were embedded, the differences between market systems become more a matter of degree (i.e., the quantity and complexity of information) than of kind. Following in this vein, new-economic sociologists (Fligstein & Dauter 2007; Lie 1997; Swedberg 1991, 2005) have probed the various ways and differing extents that economies are embedded in social, cognitive, cultural, structural, and political contexts (Barber 1995, Beckert 2009, Dequech 2003, Krippner 2001, Krippner & Alvarez 2007, Uzzi 1997, Zukin & DiMaggio 1990). These range from interplays between mental processes and economic rationality to the role of ongoing interpersonal relations and trust in economic transactions to the ways in which economic institutions are shaped by the struggle for power. Placing market systems in this broader societal context opens a range of comparative questions, while challenging the stark economic dichotomy drawn between the West and the rest of the world (Blanton & Fargher 2008, p. 9; Carrier 1992).
In sum, by using an idealized notion of contemporary Euro-American economies as self-regulating (and not embedded), Polanyi and his associates established a false metric against which they compared economies of the past, thereby underplaying the importance of markets in history. As Hejeebu & McCloskey (2004, pp. 138–39) assert, the recognition that market exchanges have a long history and broad geographic scope clearly does not subscribe one to the extreme “position that the undoubted existence of ancient, archaic, or precolonial markets means that Gilgamesh, when not at war, had the same consumption bundle in his thoughts as a member of Sam’s Club. The logic, which is seen, for example, in the Polanyi-inspired work of the great classicist Moses Finley, is this: Markets exhibit dot.coms and Sam’s Clubs. Therefore, if ancient Rome does not exhibit dot.coms and Sam’s Clubs, it must have lacked markets.”

PREINDUSTRIAL MARKETS: EMPIRICAL DEBATES

To date, debates over the nature and role of the market in the past largely have been framed by Polanyi’s (1944, pp. 47, 55; 1957a, pp. 250–56) contrast between reciprocity, redistribution, and market exchange. Whereas reciprocity describes face-to-face exchanges of equal amounts of value between social associates, redistribution constitutes a centralized pattern of transfer in which goods move to a central authority and then later are reapportioned out (Bohannan 1963, pp. 231–32; Polanyi 1957a, pp. 250–56; Sahlins 1972). Polanyi (1960, p. 331) was careful to contrast reciprocity, redistribution, and market exchange as three modes or mechanisms of economic allocation that potentially could co-occur in specific contexts. Yet, he also stressed that economies tended to be organized by one of these integrative patterns at any given time (Polanyi 1957a, pp. 254–55; 1960, p. 330), asserting that “each of the three patterns is capable of integrating the economy, ensuring its stability and unity” (Polanyi 1960, p. 330).

In anthropology and archaeology (Fried 1967, pp. 116–18; Sahlins 1958, p. 5, 1972; Service 1975), Polanyi’s ideas were crystallized into a tripartite configuration of economic systems that tended to situate reciprocal exchange with egalitarian societies, redistributive economies with hierarchically organized preindustrial societies, and market exchange with Western capitalism (Dalton 1968, p. xiv; Polanyi 1957a). As a consequence, the economies of preindustrial complex societies were thought to be broadly redistributive (Dalton 1975, pp. 92–95; compare Earle 1977; Feinman & Neitzel 1984, p. 73; Smith 2004), a characterization at the foundation of the overly stark dichotomy between command (or planned) economies and “free” market systems. In this comparative synthesis, Service (1975, p. 302) viewed the economies of ancient states as “an organismic redistributational system that . . . typically involves complex administration.” In large part, his view reflected the characterization by Bohannan & Dalton (1962) of African market systems in which they defined well-integrated markets as solely those in which most households rely on the marketplace for all or most of their needed and desired provisions. From this vantage, well-integrated market systems would not have been present in most of the world until the latter half of the twentieth century (Hirth 2010).

As a result of this rigid taxonomic framing, arguments for pre-Hispanic Mesoamerican market exchange generally have either proposed methods to detect market transactions and marketplaces (e.g., Feinman & Nicholas 2010, Garraty 2009, Hirth 1998) and/or outlined the emergence or existence of economic transfer patterns that could not easily be subsumed under meaningful definitions of reciprocity or redistribution (e.g., Blanton 1983; Blanton et al. 1993, pp. 211–17; Feinman et al. 1984; Stark & Ossa 2010). It is revealing of Polanyi’s influence that Mesoamericanists have been struggling to distinguish between archaeological signatures of market exchange and redistribution, despite an absence of historical evidence that redistribution was ever a
critical mechanism for large-scale provisioning of everyday domestic goods (Hirth 1998, p. 455; Stark & Garraty 2010), except possibly during times of crisis (Duran 1994, pp. 238–41; Hassig 1985). Several scholars have gone so far as to classify the extensive, Aztec regional market system as a large-scale, state-run redistributive network (Carrasco 1982, 1983, 2001; Sanders et al. 1979). Others (e.g., Wolf 1982, pp. 75–77, 79–88; see also Wittfogel 1957) attribute the pre-Hispanic Mesoamerican economy to the tributary mode that also was engineered almost entirely by a ruling elite, and yet there are growing indications that market exchange had a long and significant history in the region.

In this regard, recently discovered murals depicting common people at the Classic period Maya site of Calakmul (Carrasco Vargas et al. 2009) are intriguing. In these paintings, dated preliminarily to the seventh century, Maya commoners serving tamales and ladling maize gruel to others are described in associated glyphic texts as “maize-bread person” and “maize-gruel person.” Other persons are generically tagged with “salt-person,” “maize-grain person,” clay-vessel person,” and “tobacco-person.” Although the mode of these transfers is not described, the range of specialists circulating goods and the proximity of these painted panels to Calakmul’s North Plaza, an area that was previously noted as a possible marketplace (Dahlin et al. 2010), is suggestive that the mechanism was market exchange.

For the rise of the later Aztec empire, where more ample textual accounts supplement archaeology, the richer empirical foundations have enabled preliminary analyses of shifting degrees of market participation, changing flows of goods, and discussions of the complex interplays between political institutions and markets (e.g., Blanton 1985, 1996; Garraty 2006; Minc 2009; Nichols et al. 2002; Smith 2010).

Robust documentary accounts of marketplace exchange for the late pre-Hispanic era (even beyond the Aztec heartland; Pohl et al. 1997), the identification of currencies (Smith 1980, p. 877), and the rarity of evidence for large centralized storage facilities (compare Hassig 1985, p. 107) leave the economic importance of marketplaces and market exchange in ancient Mesoamerica hard to dismiss, although the pre-Aztec origins, history, diversity, geographic breadth, and interconnection with other modes of transfer all remain under debate. The Inka economy, with greater evidence for state storage and labor tribute, has been presented as a nonmarket contrast to that of the Aztec (Stanish 1997, 2010), yet the possibility and extent of marketplace exchange in the Andean world has been too readily discounted and remains to be deciphered (Earle 1985, Stark & Garraty 2010).

In the Mediterranean basin and neighboring regions, dominant metanarratives concerning ancient economies have long revolved around Finley’s writings (Greene 2000; Morris 2003; Morris & Manning 2005, p. 15). Although granting markets a more significant role than Polanyi did (Bang 2007, p. 10), Finley’s text-dominated conceptions basically adopt a simplified view of past economic systems—domestic self-sufficiency, domination by centralized political institutions, a largely agrarian economy sustained by slave labor, limited trade or potential for growth or innovation—emphasizing binary contrasts with modern European economies (Greene 2000; Scheidel & von Reden 2002, p. 3). Subsequent debates have been less focused on the broad patterns of economic integration (i.e., redistribution versus market exchange) than in anthropological archaeology, yet many of the thematic debates parallel those in other disciplines (Snell 1997; Storey 2004; Temin 2001, p. 181, 2006). As research moves beyond the false primitivist-modernist dichotomy advanced by Finley, significant developments have recognized the complexity of the ancient Greek banking system (Cohen 1992), a marketplace system of exchange in the Roman world that operated according to principles of supply and demand (Paterson 1998, p. 156–57), wage labor and capital markets at the time of the early Roman Empire (Temin 2006), and a significant level of monetization (DeCecco 1985, Kim 2002).
Kessler & Temin (2007, p. 330) argue that “the Roman market rivaled early modern European and colonial American markets in terms of institutional complexity and, perhaps, efficiency” (compare Bang 2007).

Just as the binary oppositions between formalist and substantivist, primitivist and modernist, command economies and free markets, as well as redistribution and market exchange have proven to be analytically unproductive, also untenable is the once axiomatic notion of a transformational past that sets off the past two centuries of Euro-American capitalism as qualitatively unique or exceptional from everything that came before (Block 2000, p. 97). The complex, embedded meanings and roles of currencies and money across time (Hudson 2004, Keister 2002, Maurer 2006, Melitz 1970) are particularly illustrative of the weaknesses of such dichotomous categorical thinking (e.g., Dalton 1961, pp. 12–13; Polanyi 1957a, pp. 264–66). We advocate approaches that neither deny that each historical context has distinctive features, nor gloss over the analytically important differences between the economies of the recent West from those that came before (Goldstone 2002, p. 327; Hall 2001, p. 494). But those differences must be studied and documented through comparable theoretical lenses rather than simply assumed or ignored (Pomeranz 2000, p. 8). The historical circumstances leading to the construction of modern capitalism were long and sinuous (Abu-Lughod 1989; Biddick 1990; Goldstone 2002, p. 329; Lie 1993; Maurer 2006, p. 29; van Bavel et al. 2009) rather than a punctuated outcome of a transformational event that set off unprecedented change in nineteenth-century England or the simple result of a natural process (Block 2000).

On the basis of detailed historical analyses, there is anything but consensus on a specific “hinge point” (the timing or causes) that marked the advent of European market capitalism (e.g., Abu Lughod 1989; Biddick 1990; Braudel 1985; de Vries 2001; Frank 1998; Goldstone 2002; Goody 2004; Polanyi 1944; Pomeranz 2000, 2002; Wallerstein 1974; Wolf 1982). The absence of such agreement stems from the growing realization that agricultural expansion, factor markets, economic growth, innovations in transport, standard coinage or currencies, handicraft production, and rises in commercialization all began in Europe long before the 1800s (Braudel 1985; Britnell 1993; Bryant 2006; Campbell 2009; van Bavel 2006, 2008; van Bavel et al. 2009), and many of these processes and developments were not entirely unique to Europe (Allen 2009; Frank 1998; Pomeranz 2000, pp. 7–8, 2008; Saito 2009; Wong 1997). Immediately before 1800, the performance of grain markets in Western Europe were comparable to those in China, thus neither market efficacy nor breadth is necessary and sufficient to account for subsequent European industrialization (Shiu & Keller 2007). Nevertheless, we remain “vitally interested in what enabled the West to transform the history of human power for however short a period” (Hall 2001, p. 494), but theoretical visions that privilege a single economically rational modernity, isolated and exceptional, are not apt to yield ready answers to that multifaceted question (Eisenstadt 2000; Goldstone 2002, 2008; Sugihara 2003).

ARCHAEOLOGICAL METHODS OF DETECTING MARKET EXCHANGE

We argue above that Polanyi’s widespread influence, particularly his narrow definition of market exchange, has been largely responsible for the dearth of scholarly attention to preindustrial markets among archaeologists. Nowhere is this inattention more apparent than in methodological approaches to detecting market activities in the archaeological record. Especially since Hirth’s (1998) influential study of market exchange in the central Mexican center of Xochicalco, however, archaeologists have become increasingly aware of the need to develop reliable methods to address this issue.

Hirth (1998; 2009, pp. 89–90) describes four approaches to detecting market exchange. The contextual approach infers the presence
of a market system based on logical inference, such as the assumption that a market system is necessary to provision a large urban center or system of centers (e.g., Stanish 2010), but these arguments are predicated on conjecture rather than empirical evidence. The spatial approach involves inferences about market exchange by comparing observed empirical patterns against idealized spatial configurations. Renfrew (1975, 1977), for instance, developed various “falloff curves”—idealized patterns of decline in artifact frequencies with increased distance from a locus of exchange—for market exchange and other exchange mechanisms, which he intended for comparison with empirical data. Similarly, archaeologists have applied central place theory to detect market systems by comparing observed settlement hierarchies on a landscape to geographer Christaller’s (1966) idealized hexagonal lattices of evenly spaced market retail centers (e.g., Blanton 1996, Hodder & Orton 1976, Johnson 1972). Neither of these spatial approaches is readily testable or quantifiable, however, and similar to contextual approaches, they ultimately rest on logical inferences.

The configurational approach seeks to detect physical evidence of marketplaces. Although speculative, many Mesoamerican archaeologists have inferred possible marketplaces on the basis of architectural features, such as rock alignments to demarcate stalls, or on spatial configurations of roads, platforms, and plazas (e.g., Becker 2003; Blanton 1978, p. 63; Chase & Chase 2004; Millon 1973). One recent study attempts to detect a marketplace through multiple lines of evidence, including a comparative examination of soil chemistries from a modern marketplace in Guatemala and from a plaza in the ancient Maya center of Chichucmil posited to have housed market vendors (Dahlin et al. 2007, 2010). Hirth (2009) also considers multiple lines of evidence to detect a market plaza at Xochicalco and infers possible stone-tool production for market exchange through an analysis of minute lithic debitage embedded in the plaza floor. Unlike the two approaches described above, the configurational approach is predicated on empirical inference. Nevertheless, it remains difficult to rule out alternate, nonmarket hypotheses of plaza function.

Hirth (1998) espouses a distributional approach to detecting market exchange, on the basis of the spatial effects of marketplace provisioning at the level of households. Unlike other exchange mechanisms, marketplace transactions entail equal commodity access to all households, regardless of social rank (Hirth 1998, p. 455). It also produces a larger-scale and more even distribution of goods among households than is likely achievable through nonmarket provisioning (Garraty 2009). The distributional approach is empirically rigorous and quantifiable, as variability in artifact frequency and diversity can be measured among households of different social ranks and over a large area. Yet, various confounding factors potentially muddle its effectiveness; for example, households of different ranks (or across a region) may procure (or manufacture) similar goods for social reasons (e.g., to express a shared social identity), creating similar household artifact composition, even if a market institution is absent.

In additional to Hirth’s four approaches, Stark & Garraty (2010) suggest a fifth: the regional production-distribution approach, which considers the distributional scale of quotidian craft goods (e.g., pottery, stone tools) in relation to their locations and scales of production to evaluate the likelihood of market dissemination relative to other, nonmarket mechanisms. As they (Stark & Garraty 2010) explain, this approach considers “whether articles used regularly in commoner households across a region, but which were produced in particular settlements or specialist households, could be efficiently supplied through redistribution or other centrally administered forms of product provisioning” (p. 43). They conclude that, with rare exceptions, only a market system is likely to have accommodated this scale of dissemination. In this sense, their approach could be characterized as contextual in that interpretation is based on logical inference that negates
alternate hypotheses rather than “positive” empirical indicators of market activity.

All five approaches suffer from the problem of equifinality: It is rarely, if ever, possible to rule out alternate exchange mechanisms for observed archaeological patterns. In response to this problem, Feinman & Nicholas (2010) employ a multiscalar approach to infer the presence of a market system in the Valley of Oaxaca, Mexico, during the first millennium. They consider evidence at the household, site, and regional scales, and in so doing, they incorporate elements of each of the approaches described above. Their approach thus combats the problem of equifinality by marshaling evidence in support of market activity at various analytical scales.

The multiscalar approach is vital for future efforts to detect market exchange. Ultimately, however, a more important objective is to move beyond detecting the presence/absence of market exchange (Wilk 1998) and develop sophisticated tools and techniques for assessing variability in market system structure and organization. For this task, one potentially productive tactic is to record carefully the archaeological signatures of organizationally different market systems in well-documented contexts and use these data as a basis for inferring market structure and organization in earlier, undocumented contexts. Another vital objective is to investigate how market exchange articulates with other, nonmarket exchange mechanisms within a broader economy. This task will require studies of distributional variability among various goods or classes of goods to discern which items were or were not integrated into market channels. Ideally, archaeologists will creatively refine and tailor their methods to the ideas and concepts they wish to explore rather than rigidly confine them to accommodate perceived limits of archaeological data. Methods of detecting variability among preindustrial markets will be crucial to implement comparative research and, ultimately, create cross-cultural models that capture the dynamic processes and trajectories of early market development in different times and places.

LOOKING FORWARD: KEY COMPARATIVE QUESTIONS

With new theoretical and methodological perspectives, archaeologists can now begin to formulate more targeted questions concerning the variability of markets across time and space as well as shifts in their dynamism and breadth over a long-term history (e.g., Braudel 1985, Collins 1990). Dimensions of market diversity include their interplay with other institutions, such as governing authorities, and the relative significance/breadth of market exchange—degree of commercialization—in specific economic settings (Smith 2004, pp. 75–76). Degree of commercialization highlights the extent to which different commodities are integrated and removed from market channels over a long span, which underscores the dynamism of market processes. For example, commercial development in Europe is frequently depicted as a linear process of increasing commodification of goods and services (Polanyi 1944; Thrift 2000, p. 96) and of markets “colonising ever more areas of daily life” (Williams 2002, p. 221), but historical evidence illustrates both expansion and contraction of commercial integration (Braswell 2010, Lie 1991, Williams 2002). Consider that in Western economies since the early 1800s slaves, child labor, and purchases of political office have been legally decommodified. The dynamic process of commercial expansion and contraction partly reflects changing social attitudes and moral perceptions concerning alienability and transferability of specific classes of goods or labor (Thompson 1971, 1991).

It is also time for a more nuanced examination of the prevailing notion that political power and the extent of commercialism are inversely related (e.g., Blanton et al. 1993; Smith 2004, p. 93; Trigger 2003, pp. 342–55; compare Blanton & Fargher 2010; Block & Evans 2005; Fligstein 1996; Garraty 2006; Greif 2006; Schoenberger 2008). Rather than seeing these forces as fundamentally oppositional, we may examine the range of ways that such institutions are interlinked and how these relations are manifest at different socioeconomic scales.
(Garraty 2010). Were resources collected by political authorities and, if so, through what mechanisms? How did variation in the internal governance of polities correlate with their market relations (Blanton & Fargher 2008, 2010; Eisenstadt 1969, p. 27; 1980)? In many past societies, political elites were purveyors of market exchange and commercial expansion (e.g., Blanton et al. 1993, p. 196; Fleisher 2010). Additional studies of past market systems may reveal that political-market relations were as frequently collaborative as antagonistic (Garraty 2006; Hudson 1996, 2002, 2004).

A problem that has been addressed but deserves more concerted attention concerns the origins and institutionalization of market exchange. In many regions of the globe, this issue requires exploration through archaeological investigation because the advent of market exchange and marketplaces predates the first textual sources. To date, proposed models for the beginnings of this economic practice have taken a bottom-up or top-down perspective (Berry 1967, pp. 108–11; Blanton 1983, p. 55; Hirth 2010; C. Smith 1976, pp. 44–45). In part, these different hypotheses stem from distinct scalar and disciplinary perspectives (Reeves 1989, pp. 58–60). The former builds on Adam Smith’s economic frames, see the emergence of market activities stemming from the local practices of individual economic actors or traders who—spurred by population growth (Skinner 1964), the division of labor, and/or agricultural intensification (Blanton 1983, pp. 56–58)—respond to expanded movements of goods through the order of the market. A similar perspective emphasizes increased market participation among households to supply domestic goods more efficiently through a single market location rather than relying on multiple nonmarket channels (Hirth 2010).

Top-down approaches stem from the work of Polanyi (1957b), viewing markets as inherently unstable and requiring governmental intervention to sustain them. Such perspectives envision the developmental role of governing institutions as (a) a basis for setting prices (Hudson 1996), (b) a competitive political strategy to wrest power from land-holding elites (Eisenstadt 1969, 1980), (c) a mechanism to encourage agrarian production to meet urban food needs (Hicks 1987, pp. 99–101), (d) a means to control the long-distance circulation of goods through the marketplace (Hodder 1965), or (e) an instrument for converting tribute booty into other resources through market conversion (Carrasco 1978; Garraty 2010, pp. 20–21; Hirth 1998). Many of these works actually discuss the reproduction or expansion of markets rather than the origins of market exchange, and so political institutions may have been less formidable during the earliest stage of market development (e.g., Abbott 2010, Abbott et al. 2007). In reality, market formation and expansion both may stem from top-down and bottom-up dynamics, and explanations for this socioeconomic process may require approaches that transcend a single scale.

Different scales of analysis are crucial to understand preindustrial market development and change (Feinman and Nicholas 2010). Hirth (2010) identifies the household as the proper unit of analysis for understanding these processes. For Hirth, market participation in the past hinged on household-level decisions to obtain necessary or desired goods, and thus the long-term development and sustainability of preindustrial markets rested on the capacity of the market to provide domestic goods continually and at a reasonable price. In contrast, Greif (2006), drawing on ideas and concepts from the new institutional economics, emphasizes the broader, institutional requirements for market development: “Socially beneficial institutions promote welfare-enhancing cooperation and action. They provide the foundations of markets by efficiently assigning, protecting, and altering property rights; securing contracts; and motivating specialization and exchange” (Greif 2006, p. 4). These positions differently define and situate the proper scale of analysis for studying early market development and growth, but for us, both positions merit consideration. Together they illustrate the importance of understanding market processes from the perspective
of both the microeconomic scale of household decision making and the macroeconomic scale of institutions that define the social conditions and “rules of the game” (North 1990, p. 3) in which those decisions were made.

Another, less frequently considered scale of analysis focuses on the extrahousehold forms of organization and cooperation that play a role in the spread of supply and price information and create conditions for efficient market exchange at the level of a marketplace or network of marketplaces (e.g., Cook 1976, Plattner 1989c). This scale draws attention to the social parameters of market-information flows and interpersonal relationships among market patrons that facilitate smooth market operations (e.g., Davis 1992, pp. 65–74). It also highlights the need to understand how market actors establish informal social networks (Granovetter 1985) or formal legal constraints (Williamson 1975, 1985) to circumvent malfeasance or opportunism stemming from unequal access to market information. In peasant markets, for instance, many market goers established personalized relationships with trusted associates, including kin or ethnic affiliates (e.g., Geertz 1978, Landa 1999, Schwimmer 1979), to minimize the risk of impropriety or duplicity (Plattner 1989c).

An even broader vantage examines the regional scale of market development and the formation of a commercialized landscape with multiple nodes and a well-defined hierarchy of higher- and lower-order market centers. The broadest conceivable scale concerns the international (possibly global) context of commercial interaction focused on the dynamics of systemic expansion and articulation among polities or conglomerations of polities on an inter-regional scale (Wallenstein 1974), which for pre-Hispanic Mesoamerica has been pivotal for explaining the development and spread of commercial institutions after the Classic-Postclassic transition (ca. A.D. 900) (Blanton & Feinman 1984, Feinman & Nicholas 2010, Smith & Berdan 2003, Stark & Ossa 2010).

Further research also is needed on how and why markets fail (Cassidy 2009) and how market institutions fare in contexts beset by imperial collapse (Schoenberger 2008, pp. 675–76; Tainter 1988, pp. 18–21), revolution (Skinner 1985), or other transformative governmental changes (e.g., Braswell 2010). Again, we reference the Classic-Postclassic (ca. A.D. 900) transition in ancient Mesoamerica (Berdan et al. 2003, p. 316; Blanton & Feinman 1984; Blanton et al. 1993, pp. 207–17; Feinman 1999; Masson et al. 2006, p. 198), which was set off by the collapse of early cities, such as Teotihuacan, Monte Albán, and the Classic Maya centers, and ultimately culminated in increasing exchange volumes and commercialization during the subsequent Postclassic period (900–1520). Likewise in the post-Roman European world, a relatively brief economic contraction may have been followed by a revival of market activities that was underway by the eighth century across Europe (McCormick 2001; Schoenberger 2008, pp. 676–89).

CONCLUSION

The financial crisis of 2008–2009 has brought a new urgency and lens to economic thinking on markets (e.g., Cassidy 2009, Fox 2009, Krugman 2009). No longer can anyone with a rational perspective view modern markets as always self-correcting or inexorably efficient. Likewise, when the U.S. government owns (or recently owned) major shares of top companies in automobile manufacture, insurance, and banking, it is not necessary to focus on “minor details” such as farm subsidies, the tax code, and contract law to realize that the so-called pinnacle of the free market, i.e., the modern American economy, is anything but disembedded from a larger political and societal context: Modern Western markets are neither free nor qualitatively exceptional from all other markets in space and time. Although markets across time and space unquestionably differ significantly in highly important and multiple ways, there also are clear indications that they share certain structural elements and practices. The sole means through which scholars will be able to define and understand those similarities and
differences is through dedicated comparative studies using a broadly shared, multiscalar paradigmatic approach that recognizes that all markets are embedded. To probe the dynamics of market systems, scholars must consider both market participants and the wider societal contexts in which those participants exchange and engage.

With the ongoing reevaluation of key aspects of economic theory and free market ideology, as well as the doubt it casts on some of the metrics applied by Polanyi and associates, social scientists and historians appear ready for new dialogues regarding market exchange and markets, past and present. Notions of the free market as anything more than an ideal construct and the hyperindividualizing model of “Homo economicus” now appear incongruent with empirical reality (Levitt & List 2008). As a consequence, the stark dichotomies in regard to markets and economic behavior drawn between current Western peoples and all others, which have framed debate for centuries, clearly do not rest on solid empirical grounding. At the individual level, members from many diverse cultures potentially act rationally, but they tend to do so with a wider set of considerations than basic self-interest (Bowles & Gintis 2006, Henrich et al. 2005, Stanish 2010).

People—Western or non-Western, ancient or modern—should not be envisioned as slavish pawns to power and incapable of acting in their own best interests (Attwood 1997). At the same time, economic actors across time and space participate in larger sociocultural contexts that limit and shape their actions (Guiso et al. 2006). Market behaviors are thus an intermediation between rational individual actions and the societal customs, constraints, and political realities in which specific economic institutions are embedded (e.g., Blanton & Fargher 2009, p. 135). As a consequence, scholars can no longer ignore that economic networks are embedded in larger societal settings that encompass organizations, associations, and power structures that extend well beyond individual actors.

We conclude our discussion with a plea for a multiscalar approach to preindustrial markets that situates these investigations under a broader comparative frame. By definition, such an approach requires communication, comparison, and a basis of understanding that extends well beyond traditional disciplinary boundaries. We suspect that only through greater dialogue and debate in this direction will the history and diversity of markets finally get their intellectual due.

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