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MEDIEVAL TRADERS AS INTERNATIONAL CHANGE AGENTS: A COMMENT

Abstract: The objective of this comment is to qualify a contention published in this journal that "the actual nature of accounting in Islamic lands seems to be a mystery" [Parker, 1989: 112]. The qualification is based on answers to the following research questions concerning fragments of business records kept by Medieval traders and bankers which were deposited in the Geniza[h] (storeroom) of the Ben Ezra Synagogue at Fustat (Old Cairo). First, do extant translations of Old Cairo Genizah fragments reveal sufficient details of the form and content of accounting used in the Medieval Muslim Empire in order to sustain a claim that the mystery has been solved? Second, is there a need for additional research and translations of Genizah fragments by scholars versed in accounting history?

INTRODUCTION

Parker [1989: 107-18] presented a case which showed that Medieval Jewish traders located in the Muslim Empire influenced the development of accounting in Italy because they had previously established the conditions which Littleton [1966: 12-21] identified as the antecedents of double-entry bookkeeping. The existence of Littleton's [1966] antecedents in important trading centers of the Muslim Empire was confirmed by the works of a distinguished scholar of Medieval Judaeo-Arabic philology, society and culture. Goitein [1955: 7] found that:

the civilization of the Middle East during early medieval times was characterized by its commerce, industry and bureaucratic organization, at a time when western Europe was mainly agricultural and was dominated by knights and feudal lords.

Goitein [1955] indirectly addressed the antecedents of double-entry in his analysis of the relationships between Jews and Arabs in the Muslim Empire. He described the talmudic and Arabic law related to property [Goitein, 1955: 40]; the accumulation of capital [Goitein, 1955: 101]; the distribution of trade and commerce [Goitein, 1955: 100-107]; and the role of

Jewish bankers in the provision of credit [Goitein, 1955: 116]. Given our knowledge about the emergence of double-entry in Italy, it is of interest to note Goitein [1966b: 288] found that "Arabic speaking Jews regularly travelled on Genoese or Pisan ships."

In contrast to his received knowledge of the existence of the antecedents, Parker [1989: 112] made clear that he could not present a case "that accounting methods in the Moslem Empire were directly influential in the development of accounting in Italy . . . because the actual nature of accounting in Islamic lands seems to be a mystery." In the case of Old Cairo, an important and far-reaching Judaeo-Arabic trade center, this contention must be qualified in the light of direct evidence provided by Goitein [1966a, 1973] and Gil [1970, 1976]. This evidence was not cited by Parker [1989: 112] who stated that he had "been able to find only conjectures about accounting in the Moslem Empire." Given this statement there can be no doubt that Parker [1989] believed that further research was needed.

Goitein [1966a, 1973] and Gil [1970, 1976] devoted many productive years to studies of thousands of fragments from the Medieval period which were deposited in the Genizah at Old Cairo. However they made no claim to be accounting experts, nor did they profess a detailed knowledge of the history of accounting, other than the major steps on the road to the development of the double-entry system. As a consequence, they did not produce a definitive study of *the nature of accounting* used by Jewish traders and bankers who occupied prominent positions in Medieval Mediterranean trade and commerce. A comparison of their works and perceived accounting skills to that of de Roover [1956, 1963], who translated and analyzed Medieval Italian business records, suggests that they might not have recognized significant early uses of important accounting techniques. If this suggestion is correct, then further research is needed for three reasons. First, to verify the findings of Goitein [1966a, 1973] and Gil [1970, 1976]; second, to solve Parker's [1989] *mystery*; and third, to illuminate fully the history of Medieval accounting. This new research, for which Parker [1989] made an implicit call, must be conducted by scholars with the skills required to present complete and verifiable descriptions and analyzes of the form and content of the Genizah fragments. The skills required include a thorough understanding of accounting techniques and their early development, and the ability to trans-

late Hebrew and Arabic words and business abbreviations written in Hebrew script.

GENIZAH COLLECTIONS

The existence of a store of letters and documents at the Ben Ezra Synagogue was suspected by scholars throughout the nineteenth century. However, as Gil [1970: 12] recounted, they were unable to access the fragments until Solomon Schechter made his decisive visit to Cairo in 1896-7 and the fragments were collected and distributed to different university libraries. Schechter, a lecturer in talmudic literature at the University of Cambridge, supported by Dr. Charles Taylor, Master of St. John's College, ensured that the bulk of the collection found its way to the Cambridge University Library [Goitein, 1967: 4]. At present, the Taylor-Schechter Genizah Collection at the Cambridge University Library comprises more than 150,000 fragments which reveal details of social, cultural and commercial life in the Mediterranean lands that were under Arab rule. Other major collections are held at the Bodleian Library at Oxford, the British Library, Dropsie College at Philadelphia and the Jewish Theological Seminary of America at New York. After Schechter relinquished his position at Cambridge, he became president of the Seminary at New York [Goitein, 1955: 94].

EVIDENCE PRESENTED BY SOLOMON DOB FRITZ GOITEIN

Parker [1989: 113] cited Goitein's [1967] opinion on the relative development of bookkeeping by the Jewish merchants and he noted that "the Geniza accounts, kept by Jewish merchants, were not as detailed as those kept by Italians in the late Middle Ages." Goitein [1966b: 281] stated that he "has worked through all the known collections of Geniza material," he translated and analyzed thousands of fragments held in nineteen libraries around the world. He described how the original collection had been dispersed "page 1 of a book or letter may be found in Cambridge, page 2 in New York, and page 3 in Leningrad" [Goitein, 1955: 95].

Goitein's *magnum opus*, based on the Genizah fragments, was a five volume set entitled *A Mediterranean Society*. The first volume, *Economic Foundations* dealt with "more than six thousand passages" from fragments related to the world of com-

merce and finance [Goitein, 1967: xi]. Many of the fragments were difficult to read and Goitein acknowledged that his translations and analysis contained inaccuracies. He sought advice from experts in fields, such as accounting, in which he had no prior knowledge or experience. Yet his works showed that he had an inadequate understanding of accounting concepts and terminology and that his translations and analysis were not verified by someone who possessed these skills. For example, his description of cash receipts and payments related to the management of a house by a collector and paymaster of a charitable organization stated "His balance sheet showed the revenue on the right side, and the expenditure on the left" [Goitein, 1971: 116]. Goitein [1967: viii] regarded his work as being "that of an historian and philologist, not that of expounder of socio-economic or political theories." Consistent with this statement, Goitein, in general, avoided making comments on the form of accounts; he preferred to leave it to others more expert than himself to describe the historical significance of the techniques revealed by the Genizah fragments. He suggested that a description of the form of the accounts ought not to accompany a translation of accounting fragments, rather that "a discussion of such details is better left to an edition of the originals" [Goitein, 1973: 273]. Such an edition has not been published.

Goitein [1966a: 28-66] described a selected set of eleventh and twelfth century accounting fragments which he attributed to bankers. Goitein's [1966a] translations and illustrations of the accounts showed that the Jewish bankers and merchants recorded cash receipts in one column and cash payments in another. From time to time the columns were footed and a balance struck. I compared Goitein's [1966a] illustrations of accounts against the original fragments held in the Taylor-Schechter Genizah Collection and there is no doubt that they have a bilateral form akin to a modern *T* account. Goitein [1966a: 30], in the presentation of the bankers' accounts, rendered one Arabic word frequently used at the beginning of an entry as debit and another word used similarly as credit. The rendering of *alayhi* as debit and *lahu* as credit is confirmed in a work produced at Cambridge by Khan [1992: 96]. He found the same Arabic words used on eighth and ninth century papyrus documents.

Given the above, then an important element of Parker's [1989] *mystery* has been revealed. That is, Goitein [1966a] pro-

vided direct evidence that in the eleventh and twelfth centuries Jewish bankers in Old Cairo used a bilateral form of accounts which predated the known usage of such a form in Italy. This evidence compels accounting historians to answer a research question which Parker [1989: 112] posed implicitly by declining to make a positive assertion. From Parker's [1989] words, I take the liberty to frame what might be called *Parker's Question*: Is it possible to assert that accounting methods in the Moslem Empire were directly influential in the development of accounting in Italy? Given the works of de Roover [1956] and others such as Lee [1973] who examined, translated, analyzed and described Medieval Italian business records held in Italian archives and the availability of Genizah fragments, it appears that sufficient evidence is available from which to build a case which answers *Parker's Question* one way or the other.

Not all accounts deposited in the Genizah had a bilateral form. Goitein [1971: 116] in regard to the accounts kept by a collector and paymaster of a charitable organization stated "Sometime the revenue is written above the expenditure." This form of account is known as the *paragraph form* and in Italy and other parts of Europe it was the precursor of the *bilateral form* which was not generally adopted there until the fourteenth century or later [de Roover, 1963: 91-2].

In the 1960s, Goitein made available his copies of Genizah fragments to his students at the University of Pennsylvania. One PhD candidate, Moshe Gil, concentrated his attention on Genizah fragments related to the operations of charitable organizations.

EVIDENCE PRESENTED BY MOSHE GIL

In order to describe fully the features of charitable organizations revealed by fragments from the Genizah, Gil studied, translated and analyzed copies of numerous fragments collected by Goitein from the period 1000-1250 [Gil, 1970: 11]. Among the fragments selected by Goitein and Gil were 82 statements or accounts of cash receipts and payments for houses owned and administered by charitable organizations in Old Cairo [Gil, 1976: 54]. Gil [1976: 54] stated that 22 *accountings* consisted of lists of both revenues and expenses. Gil [1976: 55] found that "accounting was not very advanced as compared with the development of this skill in other places." He cited a classification scheme proposed by Leyerer [1902] who examined early fif-

teenth century account books kept at Dubrovnik [de Roover, 1956: 157] and declared that the accounts which he examined were "two generations earlier than the next big revolutionary advance in bookkeeping, the double-entry system" [Gil, 1976: 56]. He suggested that "an intermediary form of credit-debit account can be observed in a document dating from around 1100" [Gil, 1976: 56]. From Gil's [1976: 56] description it is clear that this document is in paragraph form: on each of three days amounts paid out for materials and labor were listed first, followed by amounts received from various person, totals of debits and credits were calculated and a net amount was determined. On the first day the net amount was a deficit (or *dayn*) of 54 *dirhems*.

Gil's [1976] findings are consistent with those of his PhD supervisor. He found that the nature of accounting in Muslim Empire indicated by the Genizah fragments had reached the stage where debits and credits were shown separately. However, there was no evidence that the records were based on a double-entry system.

CONCLUSION

In answer to the questions posed at the outset of this paper, it is reasonable to conclude that while Goitein's [1966a] translations of fragments stored in the Genizah of the Ben Ezra Synagogue showed significant details of "the actual nature of accounting in Islamic lands", there remains a need for scholars versed in accounting history to carry out additional research. The evidence presented by Goitein [1966a] revealed that Medieval Jewish merchants and bankers in Old Cairo made up accounts which had a bilateral form and that their use of this form predated that of the Italians and other Europeans. The evidence also revealed that they used words which had meanings similar to those used by the Italians to denote debit and credit. However the evidence accumulated to date does not permit a case to be made which answers *Parker's Question*, i.e., is it possible to assert that accounting methods in the Moslem Empire were directly influential in the development of accounting in Italy?

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