

From the Drachma to the Peseta

The concept of money materialised in the Ancient world, taking many different forms. The most common form was that of coinage which facilitated commercial transactions. The coin as a form of currency has undergone many changes since it first appeared on the Greek coast of Asia Minor in the late 7th century BC. It began to spread on the Spanish peninsula from the 5th century BC with the establishment of trade and later the foundation of Greek and Phoenecian colonies.

The unstoppable use of coinage was spread by the gradual conquest of the Peninsula between 237 and 206 BC by the Carthaginians and the subsequent victory by the Romans after the Second Punic War (218-201 BC). By the middle of the 3rd century it was fully institutionalized in Iberian society, which has its own coins, firstly clearly influenced by the Greek drachma, but increasingly adapted to Roman models and finally fully integrated into the Roman monetary system.

In the Valencia region around 215 BC the mints of Arse (Sagunto) and Saitabi (Xàtiva) had become major centres of economic and monetary production as proven by the production of coins over centuries, a production completed with the Roman foundation of Valentia which contributed to familiarising the Valencians with their applications and Roman way of life.

The arrival of Germanic people in 5th century saw the incorporation of new coins minted by the Vandal Kingdom and Byzantines although late Roman coins continued to be produced and imitated until the creation of Al-Andalus.

With the arrival of the Muslims in the Iberian peninsular in 711, a series of changes in the social and cultural, religious, language and currency systems began. The new coins were epigraphic with religious motifs in Arabic. The Almohads (12th century) minted distinctive square dirhams (the coins shown in this case are from a hoard some of which were minted in Murcia and Fez). The conquest of the city of Valencia by James I the conqueror in the middle of the 13th century resulted in an increase in the variety of coins in circulation in the Valencian region.

The Medieval monetary system in which Valencian coins were used was based on three units: the "diner", the "sou" and the "lliura" (pound). Of these, only the diner was converted into a real coin, since they never minted coins with the value of a sou or a lliura, which functioned only as accounting units in the system used in the medieval period.

Under the rule of the Hapsburgs (1517-1700) Valencia kept the regional monetary system of the Kingdom of Valencia. Coins were issued in three different metals: "ducats" and "escudos" of gold, "dihuités" of silver and "diners" of a copper/silver alloy (vellón). Numerous coins from other territories circulated alongside these, mostly from Castile and Catalonia and from abroad.

To simplify operations there was an accounting currency, which since medieval times had been the pound the sou and the diner in Valencia. The currency served as a fixed reference for establishing the price of gold and silver coins in the face of fluctuations in the value of precious metals.

A major change was the introduction of the technique of minting by milling, which occurred in Valencia between the 17th and 18th centuries during the reign of Charles II and which became commonplace under Philip V, replacing the hammer technique which had been used since the Iberian period. With the new technique it was difficult to file or re-cut coins, putting a brake on fraud.

After the Bourbon victory of Philip V in the War of Succession (1707-1746), there was a major transformation of the monetary system, the dynastic change marked the triumph of centralism and absolutism, the imposition of the Castilian monetary system, the disappearance of Valencian coins and the end of the traditional accounting currency (the lliura would be replaced by the real), following the Decreto de Nueva Planta (Nueva Planta Decree).

The Bourbon monetary system underwent major changes and a process of modernization throughout the 19th century. The crisis of the last years of the reign of Isabel II resulted in the reform of the entire monetary system in 1868, adopting the peseta as the unit and ending the difficulties arising from the complicated monetary systems of the past.

The new system remained in effect until the Civil War, during which a number of local coinages and bank notes were issued by both Republican and Nationalist forces. After the war, first with the Government of the dictator Franco and later with King Juan Carlos I, the system came to rely completely on fiduciary values.