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Capitalism And Commercialization

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Capitalism and Commercialization

The rise of capitalism, one of the formative influences on modern Europe, is the subject of an enormous and contentious scholarship. The new economic and social order formed over many centuries, but historians have long devoted much attention to the two and half centuries from the Black Death to the onset of the seventeenth-century crisis. In this period (about 1350 to about 1620) two of capitalism's central attributes became firmly and widely entrenched: the market as the fundamental economic institution ("commercialization"), and a strongly polarized class structure. Analysis of these traits began with the founders of modern economics and sociology. Adam Smith held that market development promoted division of labor, specialization, and productivity-enhancing innovation that engendered continuous economic growth. For Karl Marx, the origins of capitalism lay in "original" or "primary" accumulation. This process transformed existing land, labor, tools, and money into capital by dispossessing peasants and artisans, simultaneously turning them into proletarianized wage laborers, and the landlords and merchants who accumulated this productive property into capitalist entrepreneurs. Max Weber argued that a novel mentality to motivate both capitalist classes stemmed from the theology of the sixteenth-century Reformation.

Over the intervening decades, these interpretations have been fiercely debated, elaborated, and modified, and important new explanatory factors introduced. No scholarly consensus exists on how to account for the rise of capitalism. Nevertheless, the critical nature of this period is widely accepted. We

1 shall therefore first examine the appearance of the marketized economy and then
2 turn to the social relations of commercial capitalism.

3

4 Economic Change and Commercialization

5

6 From about 1000 CE, European population and economy underwent brisk
7 growth. Colonists settled and improved large territories; new towns were founded
8 and existing ones greatly expanded; crafts flourished; local, interregional, and
9 long-distance trade burgeoned, most of all on overland routes that spread across
10 the Continent. Time-honored interpretations postulate that the traumatic Black
11 Death (1347-1351), which killed up to a half of Europe's population, put an abrupt
12 end to the expansion of the Central Middle Ages. But research in commercial,
13 demographic, political, and price history has forced considerable interpretive
14 revision. Instead of a unique catastrophe, most scholars now postulate a broader,
15 protracted "late medieval crisis" extending from the early fourteenth to the mid-
16 fifteenth century. Heralded by poor harvests, extensive famines, and destructive
17 warfare around 1300, the troubles touched their nadir with the catastrophic great
18 plague. Worse, they were perpetuated by several decades of recurrent epidemics,
19 interstate conflicts (most famously the Hundred Years' War, 1337-1453), and
20 social strife (notably the French Jacquerie of 1358, the Florentine Ciompi revolt
21 of 1378-1382, and the English Peasant War of 1381) that cut short population
22 recovery, stoked inflation, depressed farm and craft output, and disrupted trade.
23 From about 1380/1400, the worst problems eased, but the next half-century was a

1 time of slow revival marked by demographic stagnation, the constant threat--or,
2 all too often, reality--of war, and steep deflation.

3 It also turned out to be a period of gestation. Beginning in 1450-1470 and
4 continuing to about 1620, earlier economic and social trends were renewed,
5 extended, and consolidated during the "long sixteenth century". Until at least
6 1570, nearly all Europe experienced vigorous demographic recovery,
7 reoccupation of vacant holdings along with notable urbanization, intensifying
8 agricultural and industrial output, and the extension of trading relations across
9 much of the globe. But thereafter the long expansion petered out. Population
10 growth slowed, agricultural productivity stagnated, industrial output stalled or
11 dropped, and both overseas and intra-European trade languished. Bitter and
12 prolonged strife in France and the Low Countries was followed by wars elsewhere
13 on the Continent, marking the return of disruption and high taxes that sucked
14 money out of the economy. After about 1620, most of Europe entered the "crisis
15 of the seventeenth century." Yet the dominance of the market economy had been
16 established, so whereas before the late fourteenth century most peasant output was
17 directly consumed by its producers or taken by lords as tribute, by the end of the
18 long sixteenth century the majority went to the market.

19

20 The Late Medieval Crisis

21

22 According to current scholarship, market exchange played a larger role in
23 medieval Europe than was traditionally assumed. Although overwhelmingly
24 agrarian, Europe was not a non-monetized, autarkic "natural economy."

1 Commerce developed after the dawn of the new millennium, centered initially on
2 northern and central Italy. Together with the early decline of serfdom, precocious
3 revival of towns fostered market production by urban artisans and by peasants
4 encouraged or compelled to supply food, raw materials, and funds to city-states.
5 The peninsula's middleman position between the flourishing Middle East and
6 transalpine Europe, stimulus provided by the Crusades and consequent
7 establishment of trading colonies in the Levant and around the Black Sea, and
8 expansion of the papacy's fiscal apparatus prompted Italians to organize
9 commercial, financial, and transport networks throughout the Mediterranean and
10 adjacent areas and on to northern and eastern Europe. Italian commercial
11 dominance was firmly grounded in stable currencies, as well as innovations such
12 permanent partnerships, bills of exchange, insurance, and double-entry
13 bookkeeping that reduced transactions costs and enhanced efficiency. During the
14 twelfth and thirteenth centuries, demographic recovery, urbanization, conversion
15 of labor services and other feudal obligations into cash payments, and textile and
16 other crafts spread across Europe. As a result, markets became particularly active
17 along Europe's "dorsal spine," extending from Florence to southeastern England,
18 and on related networks like the Hanseatic League organized by merchants of
19 Baltic and North Sea towns.

20 The late medieval crisis complicated commercialization but did not
21 provoke a general retreat from markets. Warfare's attendant lawlessness,
22 destruction, inflation, taxation, and coinage debasements disorganized commerce,
23 especially long-distance trade in cheaper items where transport and security costs
24 exceeded potential profits. As John Munro has shown, a once-flourishing

1 transcontinental trade in inexpensive Flemish woollens ceased. Demographic
2 collapse reduced both supply of and demand for industrial goods while also
3 provoking the abandonment of land and, in some areas, entire settlements. In
4 Germany, perhaps most severely affected, about one-quarter of villages in
5 existence before the crisis were deserted by its end.

6 Yet these problems proved surmountable. Once the hyper-inflation of
7 cereal prices subsided in the 1380s, not only workers enjoying high real wages
8 due to a tight labor market but most Europeans had more to spend on non-grain
9 foodstuffs and manufactures. Richard Goldthwaite has argued that Italian towns
10 prospered on the basis of expanding demand for luxury goods--notably works of
11 art--that grew because wealth concentrated in the hands of those who survived the
12 ravages of the era. After all, what from one perspective was the late medieval
13 crisis from another was the celebrated Renaissance. Again, many Flemish towns
14 that could no longer profitably export cheap textiles turned very successfully to
15 fine woollens whose high selling price could absorb stiff transportation and
16 insurance rates on unsafe routes--and then revived inexpensive lines when
17 demographic, social, and political circumstances stabilized in the years after
18 1380/1400.

19 The evolution of agrarian specialization suggests that many peasants took
20 their cues from the market. For much of the fourteenth century, the price of grain
21 remained high, so it enjoyed pride of place in European fields. But when relative
22 prices changed, farmers quickly switched to dairying, livestock raising, and the
23 cultivation of wine, fruits and vegetables, flax, and other foodstuffs and industrial
24 crops. Landlords, too, contributed to commercialization both inadvertently and

1 intentionally. To be sure, some initially sought to exploit disarray and reintroduce
2 labor services, even serfdom. But their offensive met intense resistance,
3 succeeding only in limited regions, so trends toward commutation of feudal
4 obligations into monetary payments and rents in cash and kind redoubled. Along
5 with rising levies imposed by Church and states, these changes forced more
6 farmers to sell a larger part of their produce. Many poorer peasants, as well as
7 full-time agricultural laborers, also found jobs on large market-oriented estates
8 established by landlords--noble, ecclesiastical, and bourgeois--who dispensed
9 with tenants altogether, as well as on the farms of more substantial peasants,

10 High mortality and low birth rates, combined with rents and land values
11 that fell by one-third to one-half--all of them central features of the crisis era--
12 provoked a very active land market for proprietors and tenants alike. These
13 factors also spawned both subdivision and amalgamation of properties from
14 individual holdings to entire estates. In this environment, a novel attitude toward
15 land arose. Rather than a patrimony to be carefully husbanded for transfer over
16 generations, landed property became an exchangeable commodity valued by and
17 in the market. The new mentality was still strongly attached to land but no longer
18 identified a specific plot or manor with an individual family. Now any piece of
19 land was a capital asset to be put to the most lucrative use for a contractually-
20 stated period of time and disposed of if economic conditions warranted.

21 By the mid-fifteenth century, the European economy was smaller than a
22 century before. Some areas--notably uplands and regions of low fertility--
23 producers distant from urban markets or trade routes, and artisans in crafts that
24 failed to adapt to new market conditions, continued to suffer. Guilds, village

1 communities, landlords, law, and simple custom often hampered experimentation
2 with new procedures, crops, and tools. Many Europeans were too poor, and the
3 output of their farms or shops too meager, to enter the market regularly as either
4 producers or consumers. But all economic sectors were much more vigorous than
5 in the early fourteenth century, and per capita productivity and income higher,
6 thanks mainly to agricultural and industrial specialization in response to relative
7 market prices. Despite manifold signs of decline, economic historians now view
8 the late medieval crisis as an era of adjustment and enhanced commercialization.

9

10 The Long Sixteenth Century

11

12 The forces undergirding the robust growth that began about 1450 and
13 became general before 1500 powerfully spurred commercialization. As epidemics
14 waned and destructive warfare receded, lower death rates interacted with rising
15 natality (initially reflecting higher incomes and the greater availability of land at
16 affordable rents), lifting Europe's population from no more than 50 million in
17 1450 to nearly 80 million in 1600, boosting aggregate demand and enlarging the
18 labor supply. Pronounced urbanization raised the proportion of Europeans living
19 in towns of more than 10,000 from about 5.5 percent in 1500 to 7.5 percent a
20 century later, magnifying the numbers of people whose livelihoods depended on
21 market involvement. The growth of cities also promoted economies of scale that
22 by cutting prices helped widen the market. As commercial opportunities
23 multiplied, merchants throughout Europe adopted commercial and financial

1 innovations pioneered in Italy that decreased transactions (and thus final product)
2 costs, further quickening markets.

3 Declining incidence and destructiveness of intra- and interstate conflict
4 lowered the cost of goods while easing tax burdens, giving consumers more
5 disposable income. Additional market stimulus came from a budding new
6 commercial network, even if it did not yet, in the opinion of most historians,
7 constitute "the modern world system" proposed by Immanuel Wallerstein.
8 Overseas exploration, settlement, and trade grew exponentially. Seville (staple
9 port for Spain's New World possessions) shipped seventeen times as much by
10 volume in 1606-10 as in 1511-15. Imports, from Asia as well as America,
11 likewise developed smartly; one of the leading commodities, New World bullion,
12 provided much of the enlarged money supply needed to keep the wheels of
13 commerce turning. Production for the market motivated the establishment, in
14 Europe's American colonies, of plantations staffed by indigenous peoples or,
15 increasingly, enslaved Africans in what Wallerstein has aptly termed "coerced
16 cash-crop" agriculture.

17 Expanding market production resuscitated old centers and launched new
18 ones all across Europe. Long neglected fields were plowed up and forests felled:
19 the the 1530s, the forest of Orléans (France) had contracted to a third its former
20 size. In many areas, but particularly along the North Sea Coast, new land was
21 created: in half a century, more than 100,000 acres were drained and diked in the
22 northern Netherlands alone. All this activity was made possible by massive capital
23 investment, much by townspeople who sold the reclaimed land once it was ready
24 for cultivation. The new owners, specialized commercial farmers who shed all

1 auxiliary tasks to improve efficiency, purchased inputs from livestock to
2 implements to additional labor. Under such conditions, peasants had to be closely
3 attuned to market conditions. Thus as relative cereal prices again consistently
4 exceeded those for other produce, farmers reversed course from their medieval
5 forebears and increased grain growing. Landlords behaved similarly. Many
6 English manors enclosed for sheep grazing in earlier years were plowed up and
7 sown with wheat or rye. The proportion of western European landowners' income
8 provided by feudal sources (seigneurial privileges, dues, commuted labor
9 services) tumbled, that from capitalist activities (sale of produce and market-
10 determined rents) mounted. Witness--and handmaiden--to the ever-spreading
11 commercialization were legions of market towns: 4,000 just in Germany, so few
12 farms were more than a few miles from at least one of them. Agricultural advance
13 also sustained the lively land market, for rising demand translated into mounting
14 rents and related charges, making pasture and arable an excellent investment.

15 Industrial development had a broader impact. The city of Lille and its
16 nearby countryside in Flanders illustrate the processes at work. Its once-thriving
17 woollens industry devastated by the late medieval crisis, sixteenth-century Lille
18 took up various forms of light textiles, which experienced a remarkable boom
19 thanks to sales in much of Europe and in Spanish America. Eventually,
20 entrepreneurs--many of them Lillois--hired workers in neighboring villages, some
21 of which became formidable competitors of the metropolis. Feeding the swelling
22 industrial population, and supplying it with raw materials, greatly enlarged (and
23 enriched) Lille's merchant class, developed a vigorous carting trade, and
24 employed farmers in the immediate outskirts of town, in grain-growing districts in

1 adjacent Flanders and northern France, in vineyards in Burgundy and the
2 Bordelais, in grazing regions from Germany to Spain, even on Polish serf estates.

3 The achievements of commercialization should not be exaggerated,
4 however. If much wider and deeper market participation and much specialization
5 had occurred, relatively little capital had been invested in technical development
6 that would have allowed productivity to outpace population. Why this was so is a
7 matter of considerable dispute. To some historians, capitalists' preference for
8 commerce, land acquisition, moneylending, and various types of conspicuous
9 expenditure is evidence of a "traditional" mentality that valued consumption
10 above production and placed social and political objectives above economic ones.
11 But increasingly scholars contend that such behavior was economically rational
12 given prevailing conditions: constantly expanding commercial opportunities, high
13 rents and interest rates, lower industrial than agricultural prices and fluctuating
14 markets for manufactures, cheap unskilled labor, and costly innovations with low
15 rates of return.

16 Still, the results stopped economic advance. Inflation became sufficiently
17 severe that many scholars speak of a sixteenth-century "price revolution."
18 Because grains were central to diets and thus to budgets in nearly all Europe,
19 demand shifted away from other foodstuffs and especially away from industrial
20 goods, heightening the damage to workers who saw their real wages fall in
21 tandem with work opportunities, and to specialized agriculturists. Florentine
22 woollen output, for example, which had mounted from 10,000-12,000 pieces a
23 year in the 1430s to 30,000 in the 1560s, dropped to 14,000 in the 1590s and just

1 6,000 by the 1630s. Across the latter period, sales of raw wool from Castile's vast
2 herds were cut in half.

3 The effects of commercialization were unevenly distributed across
4 Europe. Three distinct but interrelated zones can be discerned. In the
5 Mediterranean basin, agriculture and industry initially conquered foreign markets
6 but were harmed by low levels of investment. Despite a few notable exceptions
7 like Catalonia and Lombardy, the Mediterranean region underwent a process of
8 relative decline. Eastern Europe experienced the wide imposition of "second
9 serfdom," which had dual origins in the late medieval crisis and sixteenth-century
10 commercialization. Despite resembling medieval serfdom by virtue of heavy
11 obligations and restrictions placed on the peasantry, neoserfdom was market-
12 oriented. Perhaps three-fourths of all the grain, cattle, wine, and other items
13 produced by peasants performing compulsory unpaid labor services on the lords'
14 demesnes, as well as appropriated from the surplus gathered on their individual
15 plots, was marketed both in western Europe and locally. But commercialized
16 serfdom obstructed development. Lords saw little reason to innovate, whereas
17 peasants lacked time and capital to improve their own holdings and had no
18 inclination to improve their lords'. Industries making cheap goods emerged, but
19 the narrow, impoverished market discouraged new methods.

20 Western Europe reaped most benefits, particularly in the quadrant
21 comprising southeastern England, the Low Countries (present-day Belgium and
22 the Netherlands), northern France, and the German Rhineland and North Sea
23 coast. Here Europe's highest rate of demographic expansion, rapidly growing
24 town populations atop already elevated levels of urbanization, and a thick nexus

1 of dynamic, increasingly efficient markets provided many incentives to innovate
2 and the institutions and capital to do so. By the early seventeenth century, an area
3 that had traditionally been on the periphery of the European economy was poised
4 to become the core of a capitalism that was taking its first steps toward creating a
5 global economy.

6

7

Social Polarization

8

9 While few historians think that Emmanuel Le Roy Ladurie's notion of
10 "motionless history" accurately represents the pre-industrial world, many
11 emphasize the continuities that marked it. From the Black Death to the
12 seventeenth century crisis--not to mention before and after the period--the basic
13 farming unit over nearly all Europe remained the holding worked by an individual
14 household or (notably in some share-cropping and upland areas) by several
15 usually related and co-resident households. Analogously, the small artisan
16 workshop operated by a household produced most manufactures. Both farms and
17 shops were integrated into larger institutions. Village communities supervised
18 many aspects of cultivation, crop rotation, grazing, and access to common
19 resources such as woodlands, waterways, and waste. Corporations (guilds)
20 regulated artisanal production as well as organizing collective social and religious
21 observances. All these structures retained broad ideological sanction as the
22 desirable means of ensuring not only acceptable livelihoods but also, through
23 inheritance, provision for the next generation. In addition, they fit snugly into the
24 hierarchic imaginary that ordered social perceptions and obligations.

1 Yet across our period, these structures were being undermined, ideal and
2 reality diverging notably as the sixteenth century proceeded. Larger units
3 emerged. In agriculture, landlords and peasants enlarged and consolidated their
4 properties. In manufacturing, capitalists assembled urban and rural "putting-out"
5 or "domestic" networks by employing artisans, peasants seeking additional
6 income, and women and children to process raw materials supplied on credit by
7 the entrepreneur. Smaller units proliferated as well, especially in regions of
8 impartible inheritance where peasant families subdivided their holdings to
9 bequeath to all their children. All these changes reflected the weakening of village
10 and corporate institutions as capitalists (commercializing landlords and rich
11 peasants, putting-out organizers, merchants) became more influential: domestic
12 systems, for instance, often existed in defiance of corporate privileges. And as the
13 period went on, advocates touting their benefits for economy and society claimed
14 and sometimes acquired a degree of legitimacy for the new arrangements.

15 These developments did not occur uniformly or steadily, and they were
16 often interrupted, particularly during the late medieval crisis, when stabilization
17 succeeded initial upheaval. But the transformation proved broad and persistent, as
18 evidenced by the social polarization--most of all, the extensive proletarianization--
19 that accompanied sixteenth-century commercialization.

20

21 Late Medieval Crisis: social upheaval to social stabilization

22

23 Echoing contemporaries, historians long believed that the Black Death
24 severely and permanently disrupted European social institutions and behavior.

1 Ever since Wilhelm Abel charted a close concordance between agricultural and
2 population movements, however, scholarship has played down the singular
3 importance of the plague, pointing instead to a host of problems accumulating
4 since the late thirteenth century. Chief among them were demographic growth that
5 exhausted much land, thereby reducing productivity, pushing up prices,
6 engendering famine and disease, and allowing landlords to increase rents while
7 also encouraging them to commute feudal bonds and obligations into more easily
8 adjusted, and thus more lucrative, payments in cash and kind. But population
9 pressure only had such strongly negative effects, historians now contend, because
10 of three additional factors: frequent and destructive wars and civil conflicts,
11 excessive state and lordly levies that further burdened the populace while taking
12 from it the resources needed to satisfy them, and rigid tenurial structures that
13 discouraged innovation. In the past few years, David Herlihy and other scholars
14 have attempted to rehabilitate a version of the earlier catastrophe view. Agreeing
15 that Europe suffered from a late medieval crisis, they regard the Black Death and
16 the recurrent epidemics of the next few decades as chiefly responsible for the
17 duration and magnitude of the troubles and for their most significant outcomes.

18 On the basis of this rich but still contentious historiography, the outlines of
19 a new synthesis can be proposed, which distinguishes two phases in the social
20 history of the late medieval crisis. The first, which comprised the three decades or
21 so after the Black Death, deeply shook European society, whereas the second,
22 which roughly coincides with the end of the fourteenth and first half of the
23 fifteenth centuries, was characterized by stabilization.

1 In the immediate aftermath of the plague, drastic inflation engendered by
2 the wide abandonment of fields and disruption of trading networks created golden
3 opportunities for astute and unscrupulous merchants, landlords, and peasants.
4 Further, the vagaries of survival and inheritance contributed to unprecedented
5 individual social mobility, for many agricultural holdings and artisanal shops
6 suddenly became available to rent or purchase on favorable terms. The same
7 processes also encouraged geographical mobility, most notably among rural
8 residents attracted by the new occupational positions that opened up in towns. The
9 easing of access to mastership in craft guilds symbolized the new opportunities.
10 Florence's silk guild, for instance, admitted just 16 new members in 1346 and 18
11 in 1347, the last pre-plague years, whereas in 1348, 1349, and 1350, respectively
12 35, 69, and 67 matriculants were accepted. While in stable periods, moreover, half
13 or more neophytes had close relatives in the silk guild, in the quarter-century after
14 the Black Death the proportion was a third or fewer.

15 But if this was a period when fortune smiled on "new men," women
16 formed the group that probably saw the most improved conditions. The
17 particularly lucky among them became substantial propertyholders upon
18 inheriting assets that previously would have gone to their brothers. Because of
19 labor shortages, gender divisions of labor were widely relaxed and women
20 allowed entry to numerous jobs and guilds that formerly barred them. For the
21 same reason, women who had been employed but suffered from discrimination
22 saw their wages rise dramatically, particularly in relation to men's. Female grape
23 pickers in Languedoc, for instance, paid just half the rate of their male co-workers

1 before the Black Death, received 80-90 percent as much immediately after. Both
2 men and women, however, experienced a big jump in nominal wages.

3 Not everyone benefitted from the upheaval. Many men, of course, lost
4 relatively, a sore point at a time when patriarchal power was widely taken as
5 natural and inevitable. Those who bought grain in the market were harmed as
6 wars and epidemics that repeatedly interfered with farming and distribution kept
7 cereals prices high for at least a generation after the great plague. These same
8 occurrences also interrupted manufacture and trade, so workers were unable to
9 profit fully from their higher wages. Worse, improved nominal rates may disguise
10 declining real wages consequent upon elevated grain prices and the practice,
11 adopted by many employers, of paying with depreciating copper coins. One of the
12 grievances of the rebellious Ciompi (wool workers) in 1378 Florence was
13 precisely that they received wages in debased pennies.

14 As the post-plague troubles played out by 1380/1400, a new equilibrium
15 took shape. Recent scholarly attention to the effects of gender ideologies and
16 relations allows us to see that for women the new order entailed a clear decline in
17 opportunities and material conditions. As population and production stabilized--
18 albeit at below pre-plague levels--labor shortages eased, or rather were redefined
19 to restore male preference. The female presence on lists of property-owners
20 diminished considerably. Many corporations statutorily prohibited female
21 membership. Forced into gender-restricted labor pools, women experienced at
22 least a relative drop in the market value of their labor. Thus Languedoc grape-
23 pickers' wage hierarchy returned to early fourteenth-century levels. Landlords
24 with fixed rents and long leases, or those who employed sizeable numbers of farm

1 laborers, also faced the prospect of hard times. But unlike women, they had
2 socially approved and economically lucrative ways to cope. Many switched to in-
3 kind or sharecropping rents that yielded consumable as well as marketable
4 produce. Titled landowners frequently found salvation in marriage with members
5 of wealthy upwardly mobile commoner families. The most powerful acquired
6 offices, monetary grants, or other forms of state assistance.

7 For most males, at least, and perhaps for families as a whole, the first half
8 of the fifteenth century was a golden age. What is often termed the "wage-price
9 scissors" favored the majority of the population. Food prices finally fell, grain
10 most of all. Yet because average farm size had grown (on Redgrave manor in
11 England, for example, the mean holding had 12 acres in 1300, 20 in 1400, and
12 more than 30 in 1450), marginally productive land had been abandoned, and
13 peasants shifted from grain to higher priced foods, their earnings were healthy.
14 With land cheap and plentiful but tenants scarce, farmers and their communities
15 enjoyed enhanced bargaining power. To attract them, landlords offered lower
16 rents--in a sample of 31 Brandenburg villages, for instance, rents fell at least a
17 third between the fourteenth and mid-fifteenth centuries--longer leases, better
18 tools and seed, even expensive teams of oxen--and many of these both further
19 enhanced productivity and encouraged greater commercialization, again
20 augmenting farm income. Ongoing labor shortages--not only in crafts but also on
21 the land, partly because vineyards, vegetable gardening, hop raising, and many
22 other types of specialized agriculture were labor-intensive--kept employment and
23 wages up.

1 Lower food prices and higher real wages, not to mention the return of
2 more peaceful conditions that allowed the reopening of transcontinental trade
3 routes, also quickened and smoothed out both supply of and demand for industrial
4 goods. Thus for the first time in over a century, many Europeans experienced
5 rising incomes. They used these, moreover, not merely to rent or buy more land or
6 new equipment or training for better jobs--not only, that is, into capital that would
7 sustain their incomes. They also improved their standards of living, purchasing
8 some luxury consumer goods that neither aristocratic disdain nor sumptuary laws
9 proved able to halt, although sticking mainly to moderately priced items, once
10 again traded widely across Europe.

11 David Herlihy has proposed that material progress (and the realistic
12 expectation of its continuation) had fundamental effects on demographic
13 behavior. Previously, forces like disease or famine beyond individuals' control
14 had been the chief determinants of population trends. Now, however, Europeans
15 embraced new inheritance conventions that concentrated property into fewer
16 hands, married later and increasingly did not marry at all, and perhaps practiced
17 birth control. Taken together, these steps limited the birth rate, allowing families
18 and individuals to achieve or maintain greater degrees of prosperity.
19 Concomitantly, the new low-fertility pattern delayed population recovery, which
20 ironically helped sustain better material conditions.

21 Despite all its tribulations, in sum, the late medieval crisis was a time
22 when social divisions diminished. As the power and in many cases the wealth of
23 landlords and employers of labor deteriorated, at least in a relative sense, material
24 and tenurial conditions improved for the mass of the populace. In Languedoc, for

1 existence, where rents, taxes, and tithes took about one-fourth of peasants' gross
2 yield (down from a third or more in the central Middle Ages), a comfortable
3 middling group constituted the majority of villagers; both rich peasants and the
4 landless formed distinct minorities. As seigniorial levies and obligations were
5 commuted into payments, peasant-controlled village communities took over most
6 collective tasks from landlords; states bolstered them as useful counterweights to
7 aristocrats and as tax-collecting entities. A particularly dramatic manifestation of
8 the power of village communities, and the peasant solidarity they embodied, was
9 to be found in the numerous rebellions that shook rural Germany in the later
10 fifteenth century, culminating in the great Peasant War of 1524-5. In towns,
11 organized artisans, supported by municipalities guided by ideological commitments
12 and concerns about public order and tax revenues, firmed up their dominance over
13 craft production. But brisk demand for goods and services in a time of labor
14 shortages also benefitted workers outside guilds through both higher wages and
15 steadier employment.

16

17 Long Sixteenth Century: polarization and proletarianization

18

19 Strong growth, in contrast, generated social polarization. Historians
20 influenced by Abel and, more recently, the so-called "Annales school," favor a
21 "neo-Malthusian" explanation in which swelling population in a context of
22 technological immobility led to opulence for the few but misery for the many. As
23 numbers increased, the land-labor ratio tilted in favor of property owners,
24 permitting them to raise rents and associated levies. Commercial farmers

1 benefitted from strong demand and rising prices. Both urban and rural employers
2 of labor found the labor market refilling, allowing them to stabilize wages. The
3 same processes disadvantaged the multitudes who were at once suppliers of labor
4 and purchasers of food, for their competition drove pay down and prices up. In
5 England, agricultural laborers saw their real wages cut in half between 1500 and
6 1650. But this was not the worst situation: in 1570, some reapers' wages near
7 Paris had just a third the purchasing power of a century before.

8 Other historians consider commercialization largely responsible. Growing
9 market activity favored those--merchants, financiers, landed proprietors, big
10 farmers, industrial entrepreneurs, and certain artisans--who possessed capital and
11 skills. But by drawing more of the population into labor and commodity markets
12 more frequently, it put them increasingly at their mercy. Thus the six- or
13 sevenfold rise in grain prices that obtained widely across Europe during the long
14 sixteenth century had a disastrous impact on wage laborers: as their pay went up
15 only three or four times, the wage-price scissors now cut against them. They
16 suffered additionally from increasingly unsteady employment as popular budgets
17 became mainly devoted to grain rather than other produce or manufactures. The
18 same circumstances also damaged much of the middling peasantry. Its members
19 had formerly achieved an adequate standard of living by combining agricultural
20 and industrial wage labor with work on their holdings, which typically comprised
21 a few hectares that they owned and rather more that they leased. But as the
22 sixteenth century proceeded, their additional sources of income yielded less while
23 their costs climbed. Obligated to borrow to make ends meet, many finished in
24 bankruptcy and dispossession. The same fate awaited numerous artisans. Modest

1 output and minimal productivity gains kept costs high while relative industrial
2 prices lagged behind agricultural and market swings intensified. Many of them,
3 too, came to depend on credit and on work provided by rich artisan and especially
4 merchant capitalists.

5 But as Robert Brenner pointed out in articles that reignited the transition
6 debate in the 1970s, neither demography nor commercialization accounts
7 sufficiently for early modern socioeconomic developments, most of all in the
8 countryside. Underlining disparate outcomes across Europe, Brenner argued that
9 social relations and social conflicts determined how demographic and commercial
10 forces played out. Vigorous village institutions, secure tenures, and various types
11 of collective action from negotiation to rebellion best enabled peasants to hold on
12 to their land and continue to enjoy access to common woodlands and pastures that
13 were vital to the survival of middling and small farms. Conversely, short tenures,
14 weak occupancy rights, and communities that had lost common resources and
15 solidarity proved vulnerable to landlord initiatives that hiked rents and related
16 charges more frequently or even evicted tenants.

17 Subsequent studies have moderated some of the sharp contrasts that
18 Brenner drew (notably between English and French agriculture) and broadened
19 the analysis to include political and military developments, along with the
20 industrial sector. Many princes, particularly in France and Germany, sought to
21 protect peasants and their communities from excessive lordly levies and losses of
22 collective property so they could serve as counterweights to aristocratic power
23 and shore up the fiscal foundation of expanding state bureaucracies and militaries.
24 Yet because government finances relied mainly on taxing the countryside, village

1 communities became fatally indebted, forcing the mortgaging or sale of common
2 property to landlords or well-to-do peasants. Privatization of resources meant the
3 exclusion of villagers who had relied on them to provide their margin of survival.
4 Again, although some authorities--prodded by guilds--afforded protection to petty
5 artisan producers, most permitted entrepreneurial initiatives. Women, almost
6 entirely excluded from any sort of institutional protection and herded into
7 overcrowded labor pools, saw their already unenviable position sink yet further.
8 In Languedoc, their wages fell to less than 40 percent of men's. And warfare,
9 which returned with a religiously-inspired vengeance in the sixteenth century,
10 ruined many villages and towns, dealing a crippling blow to many peasants and
11 workers already on the edge.

12 In consequence, the social order of commercial capitalism became ever
13 more sharply divided. A small minority of the populace accumulated wealth and
14 capital assets. In the textile center of Nördlingen (Germany) in 1579, the top 2
15 percent of citizens controlled at least a quarter of assets. At Lyon, the great French
16 silk and commercial metropole, more than half of all wealth belonged to 10
17 percent of taxpayers; just ten individuals--all of them merchants--owed 7 percent
18 of the urban tax bill in the mid-sixteenth century. At a time when the average
19 artisan had a loom or two, 220 looms were controlled by two merchants; a few
20 decades later, two others employed nearly 1000 people between them.
21 (Infrequently attempted, big centralized workplaces almost invariably failed,
22 because no technologically-generated savings offset their high cost and financial
23 vulnerability in what were always fluctuating markets.) The picture was much the
24 same in the countryside. In Poland, serf-cultivated demesnes came to cover a

1 quarter of the cultivated area, and lords received at no cost up to half the gross
2 output of peasant plots. By 1600, city people owned half of the best land around
3 Pisa (Italy); Castilian nobles held even more (some two-thirds if holdings of
4 aristocratic-dominated ecclesiastical institutions are included). Some of the
5 property on expanding estates had traditionally formed part of lords' demesnes or
6 was usurped from village communities. However, the greater part was bought,
7 from churches (in Catholic as well as Protestant lands) but mainly from indebted
8 peasants.

9 While the artisanate and peasantry in general were losing control of
10 productive property, a minority accumulated assets in ways much like--and often
11 linked with--those followed by merchant and landlord elites. Before the mid-
12 sixteenth century, a few Antwerp ribbonmakers had shops with several dozen
13 looms. In 1584, nine cartels (the biggest run by merchants and financiers)
14 comprising just 24 master builders performed 80 percent of the work on
15 Antwerp's massive citadel. An affluent top tenth (at most) likewise formed in the
16 peasantry. In a village near Toledo (Castile), 9 percent of residents held 54
17 percent of the peasant land in 1583, while in a Norman community, the upper 5
18 percent occupied a sixth of arable peasant holdings in the early fifteenth century
19 but three-fifths in the 1630s. Often starting with substantial amounts of inherited
20 property, these "yeomen" (the English term is widely applied elsewhere) might
21 buy more land, usually from their poorer counterparts (to whom they also
22 extended credit), or serve as tenants on big consolidated farms that landlords were
23 assembling across Europe. Such substantial commercial-minded farmers could

1 count on significant landlord investment in tools, buildings, drainage systems, and
2 the like; many earned additional income as lords' agents.

3 Although these elites separated from the mass of their fellows, a degree of
4 mobility into and among them existed. Rich peasants and artisans moved into the
5 ranks of merchants and entrepreneurs, and these latter groups purchased land and
6 titles. The entry of new men and families was often sealed by marriage. Yet each
7 elite also developed into a kind of caste, rooted in intermarriage that helped build
8 up patrimonies that were preserved by impartible inheritance, practiced even in
9 the face of local custom. Caste members enjoyed enhanced power in critical
10 institutions from which to advance their interests. Landowners and some
11 merchants found places in rising princely governments; merchants solidified
12 control of many municipalities, usually at the expense of all but the wealthiest
13 artisans. For their part, the top craftsmen came to dominate guilds, yeomen the
14 village communities.

15 Consumption also helped these groups define and distinguish themselves.
16 The European countryside sustained a massive rebuilding of lordly houses to
17 incorporate modern conveniences from separate rooms to glass windows. Leading
18 farmers, too, upgraded their dwellings and added capacious new barns. Probate
19 inventories, which start to become plentiful in this period, reveal rural and urban
20 elites accumulating silver, glassware, additional servants, and other markers of
21 affluence and difference. Finally, they developed a certain ethic. Cutting across
22 creedal boundaries, their emphasis on hard work, orderliness, and propriety
23 demarcated them from both lavish spending grandees and what they saw as the
24 shiftless, drunken, and rowdy poor.

1 On their side, the mass of the population faced worsening conditions that
2 increasingly distanced them from both the elite and the better times of the
3 fifteenth century. Despite possibilities for upward mobility for a few, the
4 predominant movement was down. As rich craftsmen used their guild authority
5 and wealth to reserve positions for their sons, the status of journeyman was
6 converted from the penultimate rung on the ladder to coveted mastership to a
7 synonym for permanent, albeit skilled, wage laborer. Once-autonomous small and
8 middling artisans were hard pressed by putting-out entrepreneurs with access to
9 markets and the resources to weather hard times. Although most domestic
10 workers owned their tools, toiled in their homes or shops, and retained some
11 ability to change employers or at times produce and sell wares in the market on
12 their own account, they were well on the way to becoming proletarians who had
13 only their labor to offer. Long a feature of certain centers, putting-out spread both
14 geographically and among more industries in the sixteenth century, enabling a
15 growing throng to earn a bare subsistence, particularly when a whole family could
16 be employed--but little more. Already by the 1520s, more than 85 percent of the
17 population in a Suffolk (England) district noted for its high degree of rural
18 industry was classed as poor. Deteriorating conditions were, moreover, not
19 restricted to domestic workers. Whereas mason's assistants in Lyon could earn a
20 living wage in all but three years between 1525 and 1549, by 1575-1599 their
21 income fell short 17 times.

22 Farm populations experienced similar polarization. Sometimes well-to-do
23 farmers were pushed to the wall when landlords eager to recoup their investments
24 raised rents excessively, or when a meager harvest, accident, or ill health struck.

1 But middling peasants were most affected. During the sixteenth century, the
2 proportion of Languedoc arable located on farms of less than about 12 acres (5
3 hectares) doubled, that found on holdings of 12-25 acres (5-10 hectares) dropped
4 by a third. Similar results have been reported across Europe. As the ranks of small
5 peasants swelled, ongoing subdivision of holdings, privatization of commons, and
6 very high rents (due to skyrocketing demand for modest-sized farms)
7 impoverished and, all too often, dispossessed them.

8 Some downwardly mobile peasants recovered farms--but now as
9 sharecroppers. A larger group became cottagers, forced to eke out livings from
10 gardens attached to their dwellings in tandem with agricultural and industrial
11 work. Cottages with gardens multiplied from 11 percent of English holdings about
12 1560 to 40 percent around 1620. Many other farmers lost any holding and became
13 full-fledged wage earners. Across Castile, perhaps half the rural population had
14 no land in 1570; in Andalusia, the proportion approached three-quarters. Many of
15 the landless stayed in the countryside, grouped into large impoverished villages or
16 squatting on wastelands (otherwise left to pigs for foraging) where they erected
17 flimsy shacks. But farm labor scarcely provided a tolerable living: data from
18 England, which seem widely representative, indicate that agricultural workers'
19 real wages were sliced in half between about 1500 and 1650. So many villagers
20 headed for towns, where they swelled the ranks of the urban poor and beggars, or
21 became the wandering vagrants who preoccupied authorities.

22 Like the elites, proletarianizing Europeans developed distinctive attributes.
23 By the later sixteenth century, they had to devote 70-80 percent of their meager
24 incomes to food in a normal year, half just to rye bread (wheat was widely

1 considered more desirable but was usually too expensive). No wonder that meat
2 consumption in Sicily fell to a half or less of earlier levels. What with rent, heat,
3 and light, little remained for consumer goods, and inventories indicate the
4 sparseness of the material environment in which the majority lived. Yet these
5 documents also disclose that market-bought cheap textiles and metalwares were
6 appearing in the homes of all but the very poorest.

7 Unlike elites, impoverished Europeans had few institutional means to
8 promote their interests, although journeymen in a few towns began to form
9 collective associations. For the most part, however, corporations or municipalities
10 in which workers did not participate dictated their wages, mobility, and labor
11 conditions. Similarly, richer villagers manipulated communal assemblies to shift
12 the tax burden onto the shoulders of their less affluent neighbors or to monopolize
13 communal pastures for their own large herds. In fact, new institutions like
14 centralized municipal welfare offices and workhouses were widely established in
15 order to provide for but also to manage the poor.

16

17 Conclusion

18

19 Social divisions widened least in poorer agricultural regions that offered
20 few opportunities to landlords and affluent peasants, in areas where resilient
21 villages maintained communal resources, in "backward" districts where
22 unspecialized agriculture could ride out hard times, and in towns where corporate
23 and municipal leaders defended traditional production. Holland and adjacent
24 provinces evolved a unique commercialized agrarian order that likewise

1 minimized social differentiation. It was characterized by family farms, weak
2 landlords and village communities, and employment of the landless in crafts and
3 services oriented to the specialized holdings. But the dominant trend was toward
4 polarization and proletarianization, whether on productive enclosed English farms or
5 lagging Mediterranean latifundia and eastern European serf estates, whether in
6 urban crafts or in rural industrial districts. The late medieval economic crisis
7 brought good times to the majority of Europeans; the concomitant of economic
8 growth and commercialization during the long sixteenth century was material and
9 social advancement for the few, impoverishment and wage laborer status for the
10 many.

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