Capitalism And Commercialization

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

Economic Change and Commercialization

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

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

The Late Medieval Crisis

According to current scholarship, market exchange played a larger role in 
medieval Europe than was traditionally assumed. Although overwhelmingly 
agrarian, Europe was not a non-monetized, autarkic "natural economy."
Commerce developed after the dawn of the new millennium, centered initially on northern and central Italy. Together with the early decline of serfdom, precocious revival of towns fostered market production by urban artisans and by peasants encouraged or compelled to supply food, raw materials, and funds to city-states. The peninsula's middleman position between the flourishing Middle East and transalpine Europe, stimulus provided by the Crusades and consequent establishment of trading colonies in the Levant and around the Black Sea, and expansion of the papacy's fiscal apparatus prompted Italians to organize commercial, financial, and transport networks throughout the Mediterranean and adjacent areas and on to northern and eastern Europe. Italian commercial dominance was firmly grounded in stable currencies, as well as innovations such permanent partnerships, bills of exchange, insurance, and double-entry bookkeeping that reduced transactions costs and enhanced efficiency. During the twelfth and thirteenth centuries, demographic recovery, urbanization, conversion of labor services and other feudal obligations into cash payments, and textile and other crafts spread across Europe. As a result, markets became particularly active along Europe's "dorsal spine," extending from Florence to southeastern England, and on related networks like the Hanseatic League organized by merchants of Baltic and North Sea towns. The late medieval crisis complicated commercialization but did not provoke a general retreat from markets. Warfare's attendant lawlessness, destruction, inflation, taxation, and coinage debasements disorganized commerce, especially long-distance trade in cheaper items where transport and security costs exceeded potential profits. As John Munro has shown, a once-flourishing
transcontinental trade in inexpensive Flemish woollens ceased. Demographic collapse reduced both supply of and demand for industrial goods while also provoking the abandonment of land and, in some areas, entire settlements. In Germany, perhaps most severely affected, about one-quarter of villages in existence before the crisis were deserted by its end.

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

The evolution of agrarian specialization suggests that many peasants took their cues from the market. For much of the fourteenth century, the price of grain remained high, so it enjoyed pride of place in European fields. But when relative prices changed, farmers quickly switched to dairying, livestock raising, and the cultivation of wine, fruits and vegetables, flax, and other foodstuffs and industrial crops. Landlords, too, contributed to commercialization both inadvertently and
intentionally. To be sure, some initially sought to exploit disarray and reintroduce labor services, even serfdom. But their offensive met intense resistance, succeeding only in limited regions, so trends toward commutation of feudal obligations into monetary payments and rents in cash and kind redoubled. Along with rising levies imposed by Church and states, these changes forced more farmers to sell a larger part of their produce. Many poorer peasants, as well as full-time agricultural laborers, also found jobs on large market-oriented estates established by landlords--noble, ecclesiastical, and bourgeois--who dispensed with tenants altogether, as well as on the farms of more substantial peasants, High mortality and low birth rates, combined with rents and land values that fell by one-third to one-half--all of them central features of the crisis era--provoked a very active land market for proprietors and tenants alike. These factors also spawned both subdivision and amalgamation of properties from individual holdings to entire estates. In this environment, a novel attitude toward land arose. Rather than a patrimony to be carefully husbanded for transfer over generations, landed property became an exchangeable commodity valued by and in the market. The new mentality was still strongly attached to land but no longer identified a specific plot or manor with an individual family. Now any piece of land was a capital asset to be put to the most lucrative use for a contractually-stated period of time and disposed of if economic conditions warranted.

By the mid-fifteenth century, the European economy was smaller than a century before. Some areas--notably uplands and regions of low fertility--producers distant from urban markets or trade routes, and artisans in crafts that failed to adapt to new market conditions, continued to suffer. Guilds, village
communities, landlords, law, and simple custom often hampered experimentation with new procedures, crops, and tools. Many Europeans were too poor, and the output of their farms or shops too meager, to enter the market regularly as either producers or consumers. But all economic sectors were much more vigorous than in the early fourteenth century, and per capita productivity and income higher, thanks mainly to agricultural and industrial specialization in response to relative market prices. Despite manifold signs of decline, economic historians now view the late medieval crisis as an era of adjustment and enhanced commercialization.

The Long Sixteenth Century

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

Declining incidence and destructiveness of intra- and interstate conflict lowered the cost of goods while easing tax burdens, giving consumers more disposable income. Additional market stimulus came from a budding new commercial network, even if it did not yet, in the opinion of most historians, constitute "the modern world system" proposed by Immanuel Wallerstein.

Overseas exploration, settlement, and trade grew exponentially. Seville (staple port for Spain's New World possessions) shipped seventeen times as much by volume in 1606-10 as in 1511-15. Imports, from Asia as well as America, likewise developed smartly; one of the leading commodities, New World bullion, provided much of the enlarged money supply needed to keep the wheels of commerce turning. Production for the market motivated the establishment, in Europe's American colonies, of plantations staffed by indigenous peoples or, increasingly, enslaved Africans in what Wallerstein has aptly termed "coerced cash-crop" agriculture.

Expanding market production resuscitated old centers and launched new ones all across Europe. Long neglected fields were plowed up and forests felled: the the 1530s, the forest of Orléans (France) had contracted to a third its former size. In many areas, but particularly along the North Sea Coast, new land was created: in half a century, more than 100,000 acres were drained and diked in the northern Netherlands alone. All this activity was made possible by massive capital investment, much by townspeople who sold the reclaimed land once it was ready for cultivation. The new owners, specialized commercial farmers who shed all
auxiliary tasks to improve efficiency, purchased inputs from livestock to implements to additional labor. Under such conditions, peasants had to be closely attuned to market conditions. Thus as relative cereal prices again consistently exceeded those for other produce, farmers reversed course from their medieval forebears and increased grain growing. Landlords behaved similarly. Many English manors enclosed for sheep grazing in earlier years were plowed up and sown with wheat or rye. The proportion of western European landowners' income provided by feudal sources (seigneurial privileges, dues, commuted labor services) tumbled, that from capitalist activities (sale of produce and market-determined rents) mounted. Witness--and handmaiden--to the ever-spreading commercialization were legions of market towns: 4,000 just in Germany, so few farms were more than a few miles from at least one of them. Agricultural advance also sustained the lively land market, for rising demand translated into mounting rents and related charges, making pasture and arable an excellent investment.

Industrial development had a broader impact. The city of Lille and its nearby countryside in Flanders illustrate the processes at work. Its once-thriving woollens industry devastated by the late medieval crisis, sixteenth-century Lille took up various forms of light textiles, which experienced a remarkable boom thanks to sales in much of Europe and in Spanish America. Eventually, entrepreneurs--many of them Lillois--hired workers in neighboring villages, some of which became formidable competitors of the metropolis. Feeding the swelling industrial population, and supplying it with raw materials, greatly enlarged (and enriched) Lille's merchant class, developed a vigorous carting trade, and employed farmers in the immediate outskirts of town, in grain-growing districts in
adjacent Flanders and northern France, in vineyards in Burgundy and the Bordelais, in grazing regions from Germany to Spain, even on Polish serf estates. The achievements of commercialization should not be exaggerated, however. If much wider and deeper market participation and much specialization had occurred, relatively little capital had been invested in technical development that would have allowed productivity to outpace population. Why this was so is a matter of considerable dispute. To some historians, capitalists' preference for commerce, land acquisition, moneylending, and various types of conspicuous expenditure is evidence of a "traditional" mentality that valued consumption above production and placed social and political objectives above economic ones. But increasingly scholars contend that such behavior was economically rational given prevailing conditions: constantly expanding commercial opportunities, high rents and interest rates, lower industrial than agricultural prices and fluctuating markets for manufactures, cheap unskilled labor, and costly innovations with low rates of return. Still, the results stopped economic advance. Inflation became sufficiently severe that many scholars speak of a sixteenth-century "price revolution."

Because grains were central to diets and thus to budgets in nearly all Europe, demand shifted away from other foodstuffs and especially away from industrial goods, heightening the damage to workers who saw their real wages fall in tandem with work opportunities, and to specialized agriculturists. Florentine woollen output, for example, which had mounted from 10,000-12,000 pieces a year in the 1430s to 30,000 in the 1560s, dropped to 14,000 in the 1590s and just
6,000 by the 1630s. Across the latter period, sales of raw wool from Castile's vast herds were cut in half.

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

Western Europe reaped most benefits, particularly in the quadrant comprising southeastern England, the Low Countries (present-day Belgium and the Netherlands), northern France, and the German Rhineland and North Sea coast. Here Europe's highest rate of demographic expansion, rapidly growing town populations atop already elevated levels of urbanization, and a thick nexus
of dynamic, increasingly efficient markets provided many incentives to innovate and the institutions and capital to do so. By the early seventeenth century, an area that had traditionally been on the periphery of the European economy was poised to become the core of a capitalism that was taking its first steps toward creating a global economy.

Social Polarization

While few historians think that Emmanuel Le Roy Ladurie's notion of "motionless history" accurately represents the pre-industrial world, many emphasize the continuities that marked it. From the Black Death to the seventeenth century crisis--not to mention before and after the period--the basic farming unit over nearly all Europe remained the holding worked by an individual household or (notably in some share-cropping and upland areas) by several usually related and co-resident households. Analogously, the small artisan workshop operated by a household produced most manufactures. Both farms and shops were integrated into larger institutions. Village communities supervised many aspects of cultivation, crop rotation, grazing, and access to common resources such as woodlands, waterways, and waste. Corporations (guilds) regulated artisanal production as well as organizing collective social and religious observances. All these structures retained broad ideological sanction as the desirable means of ensuring not only acceptable livelihoods but also, through inheritance, provision for the next generation. In addition, they fit snugly into the hierarchic imaginary that ordered social perceptions and obligations.
Yet across our period, these structures were being undermined, ideal and reality diverging notably as the sixteenth century proceeded. Larger units emerged. In agriculture, landlords and peasants enlarged and consolidated their properties. In manufacturing, capitalists assembled urban and rural "putting-out" or "domestic" networks by employing artisans, peasants seeking additional income, and women and children to process raw materials supplied on credit by the entrepreneur. Smaller units proliferated as well, especially in regions of impartible inheritance where peasant families subdivided their holdings to bequeath to all their children. All these changes reflected the weakening of village and corporate institutions as capitalists (commercializing landlords and rich peasants, putting-out organizers, merchants) became more influential: domestic systems, for instance, often existed in defiance of corporate privileges. And as the period went on, advocates touting their benefits for economy and society claimed and sometimes acquired a degree of legitimacy for the new arrangements.

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

Late Medieval Crisis: social upheaval to social stabilization

Echoing contemporaries, historians long believed that the Black Death severely and permanently disrupted European social institutions and behavior.
Ever since Wilhelm Abel charted a close concordance between agricultural and population movements, however, scholarship has played down the singular importance of the plague, pointing instead to a host of problems accumulating since the late thirteenth century. Chief among them were demographic growth that exhausted much land, thereby reducing productivity, pushing up prices, engendering famine and disease, and allowing landlords to increase rents while also encouraging them to commute feudal bonds and obligations into more easily adjusted, and thus more lucrative, payments in cash and kind. But population pressure only had such strongly negative effects, historians now contend, because of three additional factors: frequent and destructive wars and civil conflicts, excessive state and lordly levies that further burdened the populace while taking from it the resources needed to satisfy them, and rigid tenurial structures that discouraged innovation. In the past few years, David Herlihy and other scholars have attempted to rehabilitate a version of the earlier catastrophe view. Agreeing that Europe suffered from a late medieval crisis, they regard the Black Death and the recurrent epidemics of the next few decades as chiefly responsible for the duration and magnitude of the troubles and for their most significant outcomes. On the basis of this rich but still contentious historiography, the outlines of a new synthesis can be proposed, which distinguishes two phases in the social history of the late medieval crisis. The first, which comprised the three decades or so after the Black Death, deeply shook European society, whereas the second, which roughly coincides with the end of the fourteenth and first half of the fifteenth centuries, was characterized by stabilization.
In the immediate aftermath of the plague, drastic inflation engendered by the wide abandonment of fields and disruption of trading networks created golden opportunities for astute and unscrupulous merchants, landlords, and peasants. Further, the vagaries of survival and inheritance contributed to unprecedented individual social mobility, for many agricultural holdings and artisanal shops suddenly became available to rent or purchase on favorable terms. The same processes also encouraged geographical mobility, most notably among rural residents attracted by the new occupational positions that opened up in towns. The easing of access to mastership in craft guilds symbolized the new opportunities. Florence's silk guild, for instance, admitted just 16 new members in 1346 and 18 in 1347, the last pre-plague years, whereas in 1348, 1349, and 1350, respectively 35, 69, and 67 matriculants were accepted. While in stable periods, moreover, half or more neophytes had close relatives in the silk guild, in the quarter-century after the Black Death the proportion was a third or fewer.

But if this was a period when fortune smiled on "new men," women formed the group that probably saw the most improved conditions. The particularly lucky among them became substantial propertyholders upon inheriting assets that previously would have gone to their brothers. Because of labor shortages, gender divisions of labor were widely relaxed and women allowed entry to numerous jobs and guilds that formerly barred them. For the same reason, women who had been employed but suffered from discrimination saw their wages rise dramatically, particularly in relation to men's. Female grape pickers in Languedoc, for instance, paid just half the rate of their male co-workers.
before the Black Death, received 80-90 percent as much immediately after. Both men and women, however, experienced a big jump in nominal wages. Not everyone benefitted from the upheaval. Many men, of course, lost relatively, a sore point at a time when patriarchal power was widely taken as natural and inevitable. Those who bought grain in the market were harmed as wars and epidemics that repeatedly interfered with farming and distribution kept cereals prices high for at least a generation after the great plague. These same occurrences also interrupted manufacture and trade, so workers were unable to profit fully from their higher wages. Worse, improved nominal rates may disguise declining real wages consequent upon elevated grain prices and the practice, adopted by many employers, of paying with depreciating copper coins. One of the grievances of the rebellious Ciompi (wool workers) in 1378 Florence was precisely that they received wages in debased pennies.

As the post-plague troubles played out by 1380/1400, a new equilibrium took shape. Recent scholarly attention to the effects of gender ideologies and relations allows us to see that for women the new order entailed a clear decline in opportunities and material conditions. As population and production stabilized--albeit at below pre-plague levels--labor shortages eased, or rather were redefined to restore male preference. The female presence on lists of property-owners diminished considerably. Many corporations statutorily prohibited female membership. Forced into gender-restricted labor pools, women experienced at least a relative drop in the market value of their labor. Thus Languedoc grape-pickers' wage hierarchy returned to early fourteenth-century levels. Landlords with fixed rents and long leases, or those who employed sizeable numbers of farm
laborers, also faced the prospect of hard times. But unlike women, they had
socially approved and economically lucrative ways to cope. Many switched to in-
kind or sharecropping rents that yielded consumable as well as marketable
produce. Titled landowners frequently found salvation in marriage with members
of wealthy upwardly mobile commoner families. The most powerful acquired
offices, monetary grants, or other forms of state assistance.

For most males, at least, and perhaps for families as a whole, the first half
of the fifteenth century was a golden age. What is often termed the "wage-price
scissors" favored the majority of the population. Food prices finally fell, grain
most of all. Yet because average farm size had grown (on Redgrave manor in
England, for example, the mean holding had 12 acres in 1300, 20 in 1400, and
more than 30 in 1450), marginally productive land had been abandoned, and
peasants shifted from grain to higher priced foods, their earnings were healthy.
With land cheap and plentiful but tenants scarce, farmers and their communities
enjoyed enhanced bargaining power. To attract them, landlords offered lower
rents--in a sample of 31 Brandenburg villages, for instance, rents fell at least a
third between the fourteenth and mid-fifteenth centuries--longer leases, better
tools and seed, even expensive teams of oxen--and many of these both further
enhanced productivity and encouraged greater commercialization, again
augmenting farm income. Ongoing labor shortages--not only in crafts but also on
the land, partly because vineyards, vegetable gardening, hop raising, and many
other types of specialized agriculture were labor-intensive--kept employment and
wages up.
Lower food prices and higher real wages, not to mention the return of 
more peaceful conditions that allowed the reopening of transcontinental trade 
routes, also quickened and smoothed out both supply of and demand for industrial 
goods. Thus for the first time in over a century, many Europeans experienced 
rising incomes. They used these, moreover, not merely to rent or buy more land or 
new equipment or training for better jobs--not only, that is, into capital that would 
sustain their incomes. They also improved their standards of living, purchasing 
some luxury consumer goods that neither aristocratic disdain nor sumptuary laws 
proved able to halt, although sticking mainly to moderately priced items, once 
again traded widely across Europe.

David Herlihy has proposed that material progress (and the realistic 
expectation of its continuation) had fundamental effects on demographic 
behavior. Previously, forces like disease or famine beyond individuals' control 
had been the chief determinants of population trends. Now, however, Europeans 
embraced new inheritance conventions that concentrated property into fewer 
hands, married later and increasingly did not marry at all, and perhaps practiced 
birth control. Taken together, these steps limited the birth rate, allowing families 
and individuals to achieve or maintain greater degrees of prosperity.

Concomitantly, the new low-fertility pattern delayed population recovery, which 
ironically helped sustain better material conditions.

Despite all its tribulations, in sum, the late medieval crisis was a time 
when social divisions diminished. As the power and in many cases the wealth of 
landlords and employers of labor deteriorated, at least in a relative sense, material 
and tenurial conditions improved for the mass of the populace. In Languedoc, for
existence, where rents, taxes, and tithes took about one-fourth of peasants’ gross yield (down from a third or more in the central Middle Ages), a comfortable middling group constituted the majority of villagers; both rich peasants and the landless formed distinct minorities. As seigniorial levies and obligations were commuted into payments, peasant-controlled village communities took over most collective tasks from landlords; states bolstered them as useful counterweights to aristocrats and as tax-collecting entities. A particularly dramatic manifestation of the power of village communities, and the peasant solidarity they embodied, was to be found in the numerous rebellions that shook rural Germany in the later fifteenth century, culminating in the great Peasant War of 1524-5. In towns, organized artisans, supported by municipalities guided by ideological commitments and concerns about public order and tax revenues, firmed up their dominance over craft production. But brisk demand for goods and services in a time of labor shortages also benefitted workers outside guilds through both higher wages and steadier employment.

Long Sixteenth Century: polarization and proletarianization

Strong growth, in contrast, generated social polarization. Historians influenced by Abel and, more recently, the so-called "Annales school," favor a "neo-Malthusian" explanation in which swelling population in a context of technological immobility led to opulence for the few but misery for the many. As numbers increased, the land-labor ratio tilted in favor of property owners, permitting them to raise rents and associated levies. Commercial farmers
benefitted from strong demand and rising prices. Both urban and rural employers of labor found the labor market refilling, allowing them to stabilize wages. The same processes disadvantaged the multitudes who were at once suppliers of labor and purchasers of food, for their competition drove pay down and prices up. In England, agricultural laborers saw their real wages cut in half between 1500 and 1650. But this was not the worst situation: in 1570, some reapers' wages near Paris had just a third the purchasing power of a century before.

Other historians consider commercialization largely responsible. Growing market activity favored those—merchants, financiers, landed proprietors, big farmers, industrial entrepreneurs, and certain artisans—who possessed capital and skills. But by drawing more of the population into labor and commodity markets more frequently, it put them increasingly at their mercy. Thus the six- or sevenfold rise in grain prices that obtained widely across Europe during the long sixteenth century had a disastrous impact on wage laborers: as their pay went up only three or four times, the wage-price scissors now cut against them. They suffered additionally from increasingly unsteady employment as popular budgets became mainly devoted to grain rather than other produce or manufactures. The same circumstances also damaged much of the middling peasantry. Its members had formerly achieved an adequate standard of living by combining agricultural and industrial wage labor with work on their holdings, which typically comprised a few hectares that they owned and rather more that they leased. But as the sixteenth century proceeded, their additional sources of income yielded less while their costs climbed. Obliged to borrow to make ends meet, many finished in bankruptcy and dispossession. The same fate awaited numerous artisans. Modest
output and minimal productivity gains kept costs high while relative industrial
prices lagged behind agricultural and market swings intensified. Many of them,
too, came to depend on credit and on work provided by rich artisan and especially
merchant capitalists.

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

Subsequent studies have moderated some of the sharp contrasts that
Brenner drew (notably between English and French agriculture) and broadened
the analysis to include political and military developments, along with the
industrial sector. Many princes, particularly in France and Germany, sought to
protect peasants and their communities from excessive lordly levies and losses of
collective property so they could serve as counterweights to aristocratic power
and shore up the fiscal foundation of expanding state bureaucracies and militaries.
Yet because government finances relied mainly on taxing the countryside, village
communities became fatally indebted, forcing the mortgaging or sale of common
property to landlords or well-to-do peasants. Privatization of resources meant the
exclusion of villagers who had relied on them to provide their margin of survival.
Again, although some authorities—prodded by guilds—afforded protection to petty
artisan producers, most permitted entrepreneurial initiatives. Women, almost
entirely excluded from any sort of institutional protection and herded into
overcrowded labor pools, saw their already unenviable position sink yet further.
In Languedoc, their wages fell to less than 40 percent of men's. And warfare,
which returned with a religiously-inspired vengeance in the sixteenth century,
ruined many villages and towns, dealing a crippling blow to many peasants and
workers already on the edge.

In consequence, the social order of commercial capitalism became ever
more sharply divided. A small minority of the populace accumulated wealth and
capital assets. In the textile center of Nördlingen (Germany) in 1579, the top 2
percent of citizens controlled at least a quarter of assets. At Lyon, the great French
silk and commercial metropole, more than half of all wealth belonged to 10
percent of taxpayers; just ten individuals—all of them merchants—owed 7 percent
of the urban tax bill in the mid-sixteenth century. At a time when the average
artisan had a loom or two, 220 looms were controlled by two merchants; a few
decades later, two others employed nearly 1000 people between them.
(Infrequently attempted, big centralized workplaces almost invariably failed,
because no technologically-generated savings offset their high cost and financial
vulnerability in what were always fluctuating markets.) The picture was much the
same in the countryside. In Poland, serf-cultivated demesnes came to cover a
quarter of the cultivated area, and lords received at no cost up to half the gross
output of peasant plots. By 1600, city people owned half of the best land around
Pisa (Italy); Castilian nobles held even more (some two-thirds if holdings of
aristocratic-dominated ecclesiastical institutions are included). Some of the
property on expanding estates had traditionally formed part of lords' demesnes or
was usurped from village communities. However, the greater part was bought,
from churches (in Catholic as well as Protestant lands) but mainly from indebted
peasants.

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

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

Consumption also helped these groups define and distinguish themselves.
The European countryside sustained a massive rebuilding of lordly houses to
incorporate modern conveniences from separate rooms to glass windows. Leading
farmers, too, upgraded their dwellings and added capacious new barns. Probate
inventories, which start to become plentiful in this period, reveal rural and urban
elites accumulating silver, glassware, additional servants, and other markers of
affluence and difference. Finally, they developed a certain ethic. Cutting across
creedal boundaries, their emphasis on hard work, orderliness, and propriety
demarcated them from both lavish spending grandees and what they saw as the
shiftless, drunken, and rowdy poor.
On their side, the mass of the population faced worsening conditions that increasingly distanced them from both the elite and the better times of the fifteenth century. Despite possibilities for upward mobility for a few, the predominant movement was down. As rich craftsmen used their guild authority and wealth to reserve positions for their sons, the status of journeyman was converted from the penultimate rung on the ladder to coveted mastership to a synonym for permanent, albeit skilled, wage laborer. Once-autonomous small and middling artisans were hard pressed by putting-out entrepreneurs with access to markets and the resources to weather hard times. Although most domestic workers owned their tools, toiled in their homes or shops, and retained some ability to change employers or at times produce and sell wares in the market on their own account, they were well on the way to becoming proletarians who had only their labor to offer. Long a feature of certain centers, putting-out spread both geographically and among more industries in the sixteenth century, enabling a growing throng to earn a bare subsistence, particularly when a whole family could be employed— but little more. Already by the 1520s, more than 85 percent of the population in a Suffolk (England) district noted for its high degree of rural industry was classed as poor. Deteriorating conditions were, moreover, not restricted to domestic workers. Whereas mason's assistants in Lyon could earn a living wage in all but three years between 1525 and 1549, by 1575-1599 their income fell short 17 times.

Farm populations experienced similar polarization. Sometimes well-to-do farmers were pushed to the wall when landlords eager to recoup their investments raised rents excessively, or when a meager harvest, accident, or ill health struck.
But middling peasants were most affected. During the sixteenth century, the proportion of Languedoc arable located on farms of less than about 12 acres (5 hectares) doubled, that found on holdings of 12-25 acres (5-10 hectares) dropped by a third. Similar results have been reported across Europe. As the ranks of small peasants swelled, ongoing subdivision of holdings, privatization of commons, and very high ranks (due to skyrocketing demand for modest-sized farms) impoverished and, all too often, dispossessed them.

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

Like the elites, proletarianizing Europeans developed distinctive attributes. By the later sixteenth century, they had to devote 70-80 percent of their meager incomes to food in a normal year, half just to rye bread (wheat was widely
considered more desirable but was usually too expensive). No wonder that meat consumption in Sicily fell to a half or less of earlier levels. What with rent, heat, and light, little remained for consumer goods, and inventories indicate the sparseness of the material environment in which the majority lived. Yet these documents also disclose that market-bought cheap textiles and metalwares were appearing in the homes of all but the very poorest.

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

Conclusion

Social divisions widened least in poorer agricultural regions that offered few opportunities to landlords and affluent peasants, in areas where resilient villages maintained communal resources, in "backward" districts where unspecialized agriculture could ride out hard times, and in towns where corporate and municipal leaders defended traditional production. Holland and adjacent provinces evolved a unique commercialized agrarian order that likewise
minimized social differentiation. It was characterized by family farms, weak landlords and village communities, and employment of the landless in crafts and services oriented to the specialized holdings. But the dominant trend was toward polarization and proletarization, whether on productive enclosed English farms or lagging Mediterranean latifundia and eastern European serf estates, whether in urban crafts or in rural industrial districts. The late medieval economic crisis brought good times to the majority of Europeans; the concomitant of economic growth and commercialization during the long sixteenth century was material and social advancement for the few, impoverishment and wage laborer status for the many.

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