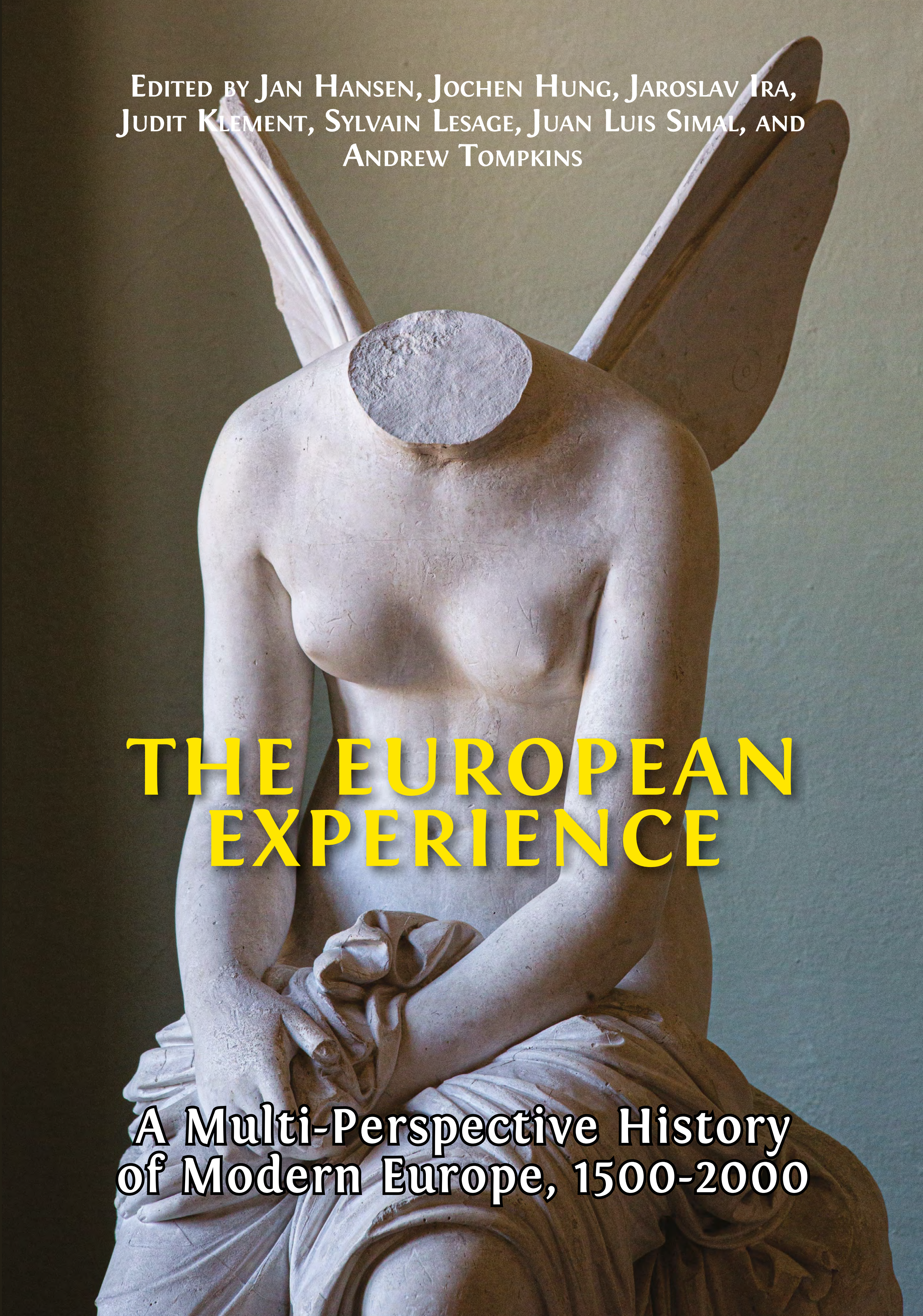

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THE EUROPEAN EXPERIENCE

A Multi-Perspective History of Modern Europe, 1500-2000

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5.2.1 Distributing Wealth in Early Modern History (ca. 1500–1800)

Thomas L. Leng, Saúl Martínez, and Christophe Schellekens

Introduction

How societies think about and organise the distribution of wealth has a profound impact on various domains. It affects how people can provide their livelihood, feed themselves and their children, take care of the elderly, and defines the extent to which they can consume beyond bare-bone subsistence. It also affects how much time they can or must spend on various types of work and on leisure. In this chapter, we provide a succinct but broad overview of the role of wealth distribution in early modern European societies. In this overview, we pay attention to the interplay between ideas, practices and legal regimes in the social and economic sphere, and the role of political action and contestation.

Ideas on Wealth and Its Distribution

A shorthand term to describe the predominant economic policy between 1500 and 1750—i.e., before the advent of capitalism, industrial work, and the development of global markets—is *mercantilism*. Austrian political economist Joseph Schumpeter (1883–1950) indicated that the three shared features of early modern mercantilist thought were "export monopolism, exchange control and balance of trade". These three principles contributed to restrain the creation and distribution of wealth, and they favoured the maintenance of a social structure headed by landed aristocracy and ecclesiastical privilege. Before 1750 basic ideas on affluency, commerce, benefits, and morally acceptable forms of creating wealth in Europe were considerably different from our present notions. Consequently, views on the distribution and redistribution of wealth also varied considerably.

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Fig. 1: Salvator Rosa, *Allegory of Fortune* (ca. 1658–1659), https://www.getty.edu/art/collection/object/103RE3.

Around 1750, new theories of political economy blossomed, and *laissez-faire* principles gained popularity. This trend of thought opposed the intervention of governments in aspects related to exchange and commerce and promoted de-regulation. The less governments intervened, the more commerce would function as a source for prosperity and a model for relationships between both persons and states. In the mercantilist system, distribution of wealth was mainly thought of as a problem of price control but did not conflict with the maintenance of an inequal social system. However, fictions of equality and self-regulation dominate *laissez-faire* theories, which are more concerned with the suppression of barriers to the creation of wealth. Simultaneous with these changes in economic thought, inequality was aggravated by the extension of capitalism, industrialisation, growing dependence on wage-earning labour, and migration to cities. These processes therefore produced long-term shifts in theories concerning social justice and the redistribution of wealth.

During the period 1500–1750, ideas on wealth distribution were sometimes expressed in terms of economic policy, but usually tackled broader problems concerning both religious precepts, justice, and moral behaviour. Moreover, these ideas were entrenched within more general conceptions of the political and social order. Therefore, notions about the distribution of wealth were usually linked to ideas about what is considered a just relationship between the prince, the most affluent, and the least so.

According to the Flemish humanist Justus Lipsius (1547–1606) a king should be generous, but with proper judgement and moderation. To illustrate the same contrary values of liberality (or generosity)—which was regarded as a virtue—and prodigality (profuse or wasteful expenditure), the Spanish diplomat Diego de Saavedra Fajardo (1584–1648) proposed a contrast between the mountain snow that melts slowly and permeates the fields through small streams, on the one hand, and big rivers that flow without control and pass without truly benefiting the valleys and fields they cross, on the other. Continuing with the same metaphor, Saavedra advised the prince not to give water to the big lakes that do not need it, and not to leave dry and thirsty the sands that represent the people. The prince is further advised by Saavedra not to give the powerful what is owed to the poor, and Saavedra also warns of the dangers of perceived vain expenditures and an excess of pomp. Finally, the ruler is reminded of the importance of a just distribution of the recompenses he offers. All these perspectives show that the early modern age coded the idea of redistribution as a chain that emanates from the will of the powerful and extends to the poor.

This chain of redistributing the excess of wealth in the form of generosity also applied to noblemen and other privileged sectors of the society. A general Christian principle for distribution—help the poor—guided these redistributive efforts. Dominican friar and theologian Tomás de Mercado (ca. 1523–1575) reminded fellow clergy of the overarching presupposition about the excess of riches, stating that their status obliged them "more to distribute the surplus of their incomes than does to seculars". Aristocrats were also impelled to share these beliefs, and their testaments and last wills often included donations to the poor. In fact, poor people and poverty posed a major test for notions of distribution and care in the early modern age. Throughout the period from 1500 to 1800, prevailing moral views on the poor oscillated between suspicion and compassion. Poverty continuously grew and a negative image of the poor slowly gained ground. Much effort was aimed at differentiating the 'authentic' poor from fake, dishonest requests. Poverty was increasingly criminalised and stigmatised, but fundamental principles around care and poor relief did not disappear completely.

Three primary areas of wealth distribution within the essentially unequal social system of the early modern age were the control of prices for basic products and supplies, control of financial tools such as interest rates, and tax distribution. The three operated under the general moral principles already described and were often the subject of heated debates, conflicts, protests, and other disruptive practices.

Price controls were common in the period. As Historian Keith Thomas notes, in *ancien régime* societies a good part of the population was more concerned with avoiding risks in the regular supply of essential resources than with maximising benefits or income. This does not mean that there were no opportunistic individuals who tried to accumulate lands or properties, but amassing riches was a unique activity and required solid justifications. Defence against such individuals and their activities was a general aim of economic measures such as the control of prices. In many polities of early modern Europe, different authorities issued norms to establish a just price for essential goods, such as wheat (or kneaded and baked bread) or clothing. These measures were aimed at avoiding shortages, curbing prices, and mitigating the effects of inflation on the price of basic commodities.

Usury was a traditional moral and financial problem. Justus Lipsius expressed forcefully the problematic interconnection between morals and wealth: "Virtue and God never love him, who loves wealth". Given this moral framework, it is not surprising to see that it was usually theologians who wrote about profits between 1500 and 1750. And they wrote on such matters because they were concerned about their moral consequences and ultimately about the salvation of souls. This strong tradition of Jewish, Muslim, and Christian thought about money and exchange was inherited from the Middle Ages. Usury (the exigence of additional money in exchange for lending money), together with several strategies to disguise money loans, were considered both a vice and a sin. Money changes, and other contracts which involved exchanges of goods, were cautiously regulated. Controlling benefits can be considered as a form of distributing wealth, since it aims to avoid excessive inequalities, but also as a form of social control, since it restricts the creation of wealth.

Inequality in Practice

Based on the reconstruction of data series through empirical research, we can observe that overall inequality was rising throughout the period between 1450 and 1800. This goes up for various places and periods and is based on various approaches of assessing and measuring inequality. Most of such work on inequality takes households as units of analyses, as data are best reconstructed on that level. It is worthwhile however to look somewhat more in depth at how this general trend took shape in particular settings, and what caused the exceptional cases that went against this trend.

First of all, we need to differentiate between practices and cases of inequality of income, of wealth, and of rights. Overall, we have more data on inequality of wealth than of inequality of income, as the sources tracing the daily or annual income of households are even more scarce than sources on accumulated wealth. As the discussion above on ideas and norms has made clear, pre-modern societies were marked by vast inequalities in terms of who had the right to hold a property, was allowed to perform a type of work or to engage in a commercial activity. For example, many craft guilds throughout Europe upheld restrictions in terms of ancestry, birth in a jurisdiction and gender as to who could engage in a particular type of craft. These inequalities in terms of rights in their turn affected the income and wealth one could acquire. At the same time, guilds could also implement restrictions, for example on the maximum number of tools a craftsman could own or the number of journeymen a master could hire, thus preventing rising inequality within the craft itself.

Another form of inequality in rights that influenced the rise or moderation of wealth inequality was inheritance law. Throughout Europe, various types of legislation determined how capital could be transferred from one generation to the next. Some of these regimes favoured the firstborn son, thus facilitating the increasing concentration of wealth over generations. Other legal regimes put up hurdles to sell (parts of) an inheritance on the market, thus preventing further wealth concentration by investors.

Inequality of income and of wealth could be seen in the economic situations of particular regions and cities. Throughout the period, various places became centres of trade and production that attracted merchants and labour migrants from near and far. This was the case in for example Antwerp throughout the sixteenth century and in Amsterdam a century later. Some people from a modest background indeed were able to make a fortune there. However, these places were sites of rising inequality that condemned many to economic hardship.

The economic booms of commercial cities should not let us forget that the majority of the population of early modern Europe spent their lives in the countryside. Agricultural activities were the main form of work for most people. In most rural communities, inequality was also rising. It should be noted however that rates of wealth inequality in villages were generally less high than in urban areas. Again, legal regimes, local customs and forms of local self-organisation and coordination could mitigate or counter these trends. That self-organisation could take the form of protest and contestation, but it could also take the form of installing forms of taxation that had a moderating effect on inequality. Pre-modern taxes were often regressive, falling hardest on the poor and contributing to increasing levels of wealth and income inequality.

An example is the taxation of consumption of primarily basic goods such as food and drinks. Moreover, as the rise of taxation on a state level was often caused by increasing military spending in times of crisis, it hit hard especially in times of economic stagnation. However, some small communities installed regimes of taxation that primarily taxed the wealthier households and thus moderated inequality to some extent. This was the case, for example, in some communities in Catalonia.

It has been suggested that throughout the early modern period catastrophic events such as floods, earthquakes, droughts, diseases, and wars had an inequality-reducing effect. The reasoning behind this argument is that such catastrophes either destroyed forms of wealth or had a demographic shock effect that impacted the distribution of wealth and income. However, there is little to support this generalisation. In many places throughout Western Europe the plague of 1346–1353 indeed had an inequality-reducing effect over the long term. However, this was an exceptional case, and later plagues would often lead to an increase in inequality. Other disaster at times had an inequality-reducing effect in the short term but led to increases in inequality in the longer term. Also here, local political arrangements, power relations and systems of coordination determined the evolution of inequality.

Reactions to Inequality

The gradual erosion of 'feudal' arrangements in parts of Europe in the late medieval period can be understood in terms of peasants taking advantage of changing demographic conditions after the Black Death to transform the terms of their tenure, throwing off burdensome labour services and restrictions on movement, and negotiating limits on rents that were justified in terms of manorial custom. At the same time, they asserted collective rights over certain resources such as access to common lands, again framing these as customary rights held since time immemorial. Thus, in contrast to early modern political and mercantilist theory, which presented the sovereign and the rich as sole determinants of the distribution of wealth, in certain parts of Europe at the outset of the early modern period non-elites had secured considerable agency over how wealth was distributed at the local level. Defending and extending these rights was one element of the late medieval tradition of popular revolt. That said, the economic changes of the early modern period meant that this position was increasingly under threat from landowners, while the social solidarity of rural communities was being eroded by the changes implicit in the demise of 'feudalism'.

These contests were particularly apparent in England, where 'custom' possessed a notable power due to the system of common law based on precedence. Population growth and inflation in the sixteenth century led many landowners to attempt a revision of customary rents in their favour, as well as a limitation of the extent of access to common resources which could be monetised, such as firewood. Opposition to such actions did not necessarily entail demands for social levelling: criticism of 'rent-racking' landlords was often coupled with a nostalgia for the generosity and hospitality of their forbearers, although to describe this as simply conservatism misses the degree to which village people could evoke a sense of communal living independent of, and perhaps excluding, the rich and powerful. This social vision was not entirely incompatible with the perspective of rulers, however, and the mid-Tudor state was often sympathetic to those resisting enclosure, for instance, which was seen as avaricious and in conflict with prevailing religious ideals. Opposition to enclosure often happened through the law. But the attitude of legislators was also coloured by an awareness that 'depopulating enclosures' fed into social conflict and sometimes large-scale revolts, such as Kett's Rebellion in Norfolk in 1549. Even those revolts ostensibly driven by resistance to Protestantism, such as the Western Rebellion (also 1549) were in part about the distribution of wealth, as the Reformation had entailed the confiscation of church resources which were often seen as the property of the local community, which had invested in church buildings and ornamentation over generations.

However, the year 1549 was a watershed in the tradition of popular rebellion in England. Increasingly, the more prosperous beneficiaries of greater freedom of movement and more generous leases in the rural economy came to identify their interests less with their poorer neighbours and more with the state, which by the late sixteenth century had committed to a programme of social discipline of the poor. For village elites, controlling access to common resources became a priority: the right to glean—to collect leftover grain from the harvest—might be limited to the 'deserving poor', at the expense of 'vagrant' outsiders. The impetus to enclose common fields might also come from below rather than from the landowners. Custom, of course, can be a socially restrictive ideal, and in the divided village communities of the seventeenth and eighteenth centuries, the landless poor increasingly felt the brunt of this. Although they obdurately clung to their remaining rights to collective resources, because their ability to do this often rested on their ability to assert their status as the honest poor, the landless poor's actions arguably endorsed and shored up rather than challenged the increasingly unequal distribution of wealth in rural communities. Social protest might then be reduced to seditious talk targeted against the authorities and the rich, but limited in its ability to transform society. Action in defence of the 'moral economy' that had once informed price controls could still encompass a broader range of local society, however.

England was a relative leader in the extent to which serfdom had been unrolled by the sixteenth century, though a similar pattern of growing social polarisation eroding a broad tradition of corporate revolt can be observed in the Low Countries. The most extensive rural revolt of the early modern period, the Peasants' War, was also mobilised around a programme of attacking feudal obligations and asserting common rights, extended to encompass rights over control of religious life. The 'gospel of social protest' inspired by the Reformation developed into the sectarian reformation of the Anabaptists, whose ideals could sometimes translate into attempts to build communities free of social or economic divisions, holding property in common. Following the British Civil Wars of the 1640s, a similar experiment in communal living was attempted by the followers of the 'Digger' Gerrard Winstanley. Although generally short-lived and readily suppressed, radical utopianism of this sort with its potential to offer an alternative vision of society and the distribution of wealth, alongside the defence of customary rights and freedoms, would eventually contribute to the development of a plebeian culture of resistance in the very different circumstances brought about by industrialisation.

Conclusion

Throughout this chapter, we have presented how rising inequality of wealth and of income was a fundamental characteristic of early modern European societies. This rising inequality was not a force of nature. Although natural phenomena such as epidemics and weather conditions could affect the distribution of wealth in the short term, they rarely affected the distribution of wealth over the longer term. Legal, social, and political regimes, as well as policies and institutions, were the main forces that determined the distribution of wealth and the level of inequality in a society. These regimes were influenced by ideas from theologians as well as philosophers and other authors who published on the role and responsibilities of a ruler and the ruling elite. Ideas about a just price and about control over trade through mercantilist policies dominated through to the eighteenth century, after which philosophers began to more strongly advocate free trade. Apart from changing ideas, political action in the form of protests and rebellions could also affect the distribution of wealth. Often, these actions invoked a vocabulary of attachment to old customs and resisted new policies by emerging state institutions and rising economic elites. The distribution of wealth in early modern Europe was thus a process that was deeply affected by ideas, sentiments and aspirations of intellectuals, political and social elites as well as the lower strata of society.

Discussion questions

1. In which ways did economic inequality shape people's lives in early modern Europe?
2. Why did so many people accept inequality in early modern Europe?
3. What role did religion play in inequality in early modern Europe?

Suggested reading

Blickle, Peter, *The Communal Reformation: The People's Quest for Salvation in the Sixteenth Century* (Leiden: Brill, 1985).

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