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# UNIT 1 : THE PROBLEMS OF TRANSITION: ECONOMIC EXPANSION, INDUSTRIAL PRODUCTION

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## 1.0 OBJECTIVES

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After reading this unit you will be able to understand;

- the economic condition of the Western countries by 15<sup>th</sup> century,
- impact of the population growth and economic expansion, and
- impact on European economy due to growth of industrial production.

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## 1.1 INTRODUCTION

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The 16th century was a period of vigorous economic expansion. This expansion in turn played a major role in the many other transformations—social, political, and cultural—of the early modern age.

By 1500 the population in most areas of Europe was increasing after two centuries of decline or stagnation. The bonds of commerce within Europe tightened, and the “wheels of commerce” (in the phrase of the 20th-century French historian Fernand Braudel) spun ever faster. The great geographic discoveries then in process were integrating Europe into a world economic system. New commodities, many of them imported from recently discovered lands, enriched material life. Not only trade but also the production of goods increased as a result of new ways of organizing

production. Merchants, entrepreneurs, and bankers accumulated and manipulated capital in unprecedented volume. Most historians locate in the 16th century the beginning, or at least the maturing, of Western capitalism. Capital assumed a major role not only in economic organization but also in political life and international relations. Culturally, new values—many of them associated with the Renaissance and Reformation—diffused through Europe and changed the ways in which people acted and the perspectives by which they viewed themselves and the world.

This world of early capitalism, however, can hardly be regarded as stable or uniformly prosperous. Financial crashes were common; the Spanish crown, the heaviest borrower in Europe, suffered repeated bankruptcies (in 1557, 1575–77, 1596, 1607, 1627, and 1647). The poor and destitute in society became, if not more numerous, at least more visible. Even as capitalism advanced in the West, the once-free peasants of central and eastern Europe slipped into serfdom. The apparent prosperity of the 16th century gave way in the middle and late periods of the 17th century to a “general crisis” in many European regions. Politically, the new centralized states insisted on new levels of cultural conformity on the part of their subjects. Several states expelled Jews, and almost all of them refused to tolerate religious dissenters. Culturally, in spite of the revival of ancient learning and the reform of the churches, a hysterical fear of witches grasped large segments of the population, including the learned. Understandably, historians have had difficulty defining the exact place of this complex century in the course of European development.

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## **1.2 THE ECONOMIC BACKGROUND**

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The century’s economic expansion owed much to powerful changes that were already under way by 1500. At that time, Europe comprised only between one-third and one-half the population it had possessed about 1300. The infamous Black Death of 1347–50 principally accounts for the huge losses, but plagues were recurrent, famines frequent, wars incessant, and social tensions high as the Middle Ages ended. The late medieval disasters radically transformed the structures of European society—the ways by which it produced food and goods, distributed income, organized its society and state, and looked at the world.

The huge human losses altered the old balances among the classical “factors of production”—labour, land, and capital. The fall in population forced up wages in the towns and depressed rents in the countryside, as the fewer workers remaining could command a higher “scarcity value.” In contrast, the costs of land and capital fell; both grew relatively more abundant and cheaper as human numbers shrank. Expensive labour and cheap land and capital encouraged “factor substitution,” the replacement of the costly factor (labour) by the cheaper ones (land and capital). This substitution of land and capital for labour can be seen, for example, in the widespread conversions of arable land to pastures; a few shepherds, supplied with

capital (sheep) and extensive pastures, could generate a higher return than ploughland, intensively farmed by many well-paid labourers.

Capital could also support the technology required to develop new tools, enabling labourers to work more productively. The late Middle Ages was accordingly a period of significant technological advances linked with high capital investment in labour-saving devices. The development of printing by movable metal type substituted an expensive machine, the press, for many human copyists. Gunpowder and firearms gave smaller armies greater fighting power. Changes in shipbuilding and in the development of navigational aids allowed bigger ships to sail with smaller crews over longer distances. By 1500 Europe achieved what it had never possessed before: a technological edge over all other civilizations. Europe was thus equipped for worldwide expansion.

Social changes also were pervasive. With a falling population, the cost of basic foodstuffs (notably wheat) declined. With cheaper food, people in both countryside and city could use their higher earnings to diversify and improve their diets—to consume more meat, dairy products, and beverages. They also could afford more manufactured products from the towns, to the benefit of the urban economies. The 14th century is rightly regarded as the golden age of working people.

Economic historians have traditionally envisioned the falling costs of the basic foodstuffs (cereals) and the continuing firm price of manufactures as two blades of a pair of open scissors. These price scissors diverted income from countryside to town. The late medieval price movements thus favoured urban artisans over peasants and merchants over landlords. Towns achieved a new weight in society; the number of towns counting more than 10,000 inhabitants increased from 125 in about 1300 to 154 in 1500, even as the total population was dropping. These changes undermined the leadership of the landholding nobility and enhanced the power and influence of the great merchants and bankers of the cities. The 16th would be a “bourgeois century.”

Culturally, the disasters of the late Middle Ages had the effect of altering attitudes and in particular of undermining the medieval faith that speculative reason could master the secrets of the universe. In an age of ferocious and unpredictable epidemics, the accidental and the unexpected, chance or fate, rather than immutable laws, seemed to dominate the course of human affairs. In an uncertain world, the surest, safest philosophical stance was empiricism. In formal philosophy, this new priority given to the concrete and the observable over and against the abstract and the speculative was known as nominalism. In social life, there was evident a novel emphasis on close observation, on the need to study each changing situation to arrive at a basis for action.

The 16th century thus owed much to trends originating in the late Middle Ages. It would, however, be wrong to view its history simply as a playing out of earlier

movements. New developments proper to the century also shaped its achievements. Those developments affected population; money and prices; agriculture, trade, manufacturing, and banking; social and political institutions; and cultural attitudes. Historians differ widely in the manner in which they structure and relate these various developments; they argue over what should be regarded as causes and what as effects. But they are reasonably agreed concerning the general nature of these trends.

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### **1.3 DEMOGRAPHICS**

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For the continent as a whole, the population growth under way by 1500 continued over the “long” 16th century until the second or third decade of the 17th century. A recent estimate by the American historian Jan De Vries set Europe’s population (excluding Russia and the Ottoman Empire) at 61.6 million in 1500, 70.2 million in 1550, and 78.0 million in 1600; it then lapsed back to 74.6 million in 1650. The distribution of population across the continent was also shifting. Northwestern Europe (especially the Low Countries and the British Isles) witnessed the most vigorous expansion; England’s population more than doubled between 1500, when it stood at an estimated 2.6 million, and 1650, when it probably attained 5.6 million. Northwestern Europe also largely escaped the demographic downturn of the mid-17th century, which was especially pronounced in Germany, Italy, and Spain. In Germany, the Thirty Years’ War (1618–48) may have cost the country, according to different estimates, between 25 and 40 percent of its population.

Cities also grew, though slowly at first. The proportion of Europeans living in cities with 10,000 or more residents increased from 5.6 percent of the total population in 1500 to only 6.3 percent in 1550. The towns of England continued to suffer a kind of depression, now often called “urban decay,” in the first half of the century. The process of urbanization then accelerated, placing 7.6 percent of the population in cities by 1600, and even continued during the 17th-century crisis. The proportion of population in cities of more than 10,000 inhabitants reached 8.3 percent in 1650.

More remarkable than the slow growth in the number of urban residents was the formation of cities of a size never achieved in the medieval period. These large cities were of two principal types. Capitals and administrative centres—such as Naples, Rome, Madrid, Paris, Vienna, and Moscow—give testimony to the new powers of the state and its ability to mobilize society’s resources in support of courts and bureaucracies. Naples, one of Europe’s largest cities in 1550, was also one of its poorest. The demographic historian J.C. Russell theorized that Naples’ swollen size was indicative of the community’s “loss of control” over its numbers. Already in the 16th century, Naples was a prototype of the big, slum-ridden, semiparasitic cities to be found in many poorer regions of the world in the late 20th century.

Commercial ports, which might also have been capitals, formed a second set of large cities: examples include Venice, Livorno, Sevilla (Seville), Lisbon, Antwerp,

Amsterdam, London, Bremen, and Hamburg. About 1550, Antwerp was the chief port of the north. In 1510, the Portuguese moved their trading station from Brugge to Antwerp, making it the chief northern market for the spices they were importing from India. The Antwerp bourse, or exchange, simultaneously became the leading money market of the north. At its heyday in mid-century, the city counted 90,000 inhabitants. The revolt of the Low Countries against Spanish rule (from 1568) ruined Antwerp's prosperity. Amsterdam, which replaced it as the greatest northern port, grew from 30,000 in 1550 to 65,000 in 1600 and 175,000 in 1650. The mid-17th century—a period of recession in many European regions—was Holland's golden age. Late in the century, Amsterdam faced the growing challenge of another northern port, which was also the capital of a powerful national state—London. With 400,000 residents by 1650 and growing rapidly, London then ranked below only Paris (440,000) as Europe's largest city. Urban concentrations of such magnitude were unprecedented; in the Middle Ages, the largest size attained was roughly 220,000, reached by a single city, Paris, about 1328.

Another novelty of the 16th century was the appearance of urban systems, or hierarchies of cities linked together by their political or commercial functions. Most European cities had been founded in medieval or even in ancient times, but they long remained intensely competitive, duplicated each other's functions, and never coalesced during the Middle Ages into tight urban systems. The more intensive, more far-flung commerce of the early modern age required a clearer distribution of functions and cooperation as much as competition. The centralization of governments in the 16th century also demanded clearly defined lines of authority and firm divisions of functions between national and regional capitals.

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## **1.4 TRADE AND THE ATLANTIC REVOLUTION**

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The new importance of north-western Europe in terms of overall population and concentration of large cities reflects in part the “Atlantic revolution,” the redirection of trade routes brought about by the great geographic discoveries. The Atlantic revolution, however, did not so much replace the old lines of medieval commerce as build upon them. In the Middle Ages, Italian ports—Venice and Genoa in particular—dominated trade with the Middle East and supplied Europe with Eastern wares and spices. In the north, German cities, organized into a loose federation known as the Hanseatic League, similarly dominated Baltic trade. When the Portuguese in 1498 opened direct maritime links with India, Venice faced the competition of the Atlantic ports, first Lisbon and Antwerp. Nonetheless, Venice effectively responded to the new competition and attained in the 16th century its apogee of commercial importance; in most of its surviving monuments, this beautiful city still reflects its 16th-century prosperity. Genoa was not well placed to take advantage of the Atlantic discoveries, but Genoese bankers played a central role in the finances of Spain's overseas empire and in its military ventures in Europe.

Italians did not quickly relinquish the prominence as merchants and bankers that had distinguished them in the Middle Ages.

In the north, the Hanseatic towns faced intensified competition from the Dutch, who from about 1580 introduced a new ship design (the *fluitschip*, a sturdy, cheaply built cargo vessel) and new techniques of shipbuilding, including wind-powered saws. Freight charges dropped and the size of the Dutch merchant marine soared; by the mid-17th century, it probably exceeded in number of vessels all the other mercantile fleets of Europe combined. The English competed for a share in the Baltic trade, though they long remained well behind the Dutch.

In absolute terms, Baltic trade was booming. In 1497 the ships passing through the Sound separating Denmark from Sweden numbered 795; 100 years later the number registered by the toll collectors reached 6,673. The percentage represented by Hanseatic ships rose over the same century from roughly 20 to 23–25 percent; the Germans were not yet routed from these eastern waters.

In terms of maritime trade, the Atlantic revolution may well have stimulated rather than injured the older exchanges. At the same time, new competition from the western ports left both Hanseatics and Italians vulnerable to the economic downturn of the 17th century. For both the Hanseatic and Italian cities, the 17th—and not the 16th—century was the age of decline. At Lübeck in 1628, at the last meeting of the Hanseatic towns, only 11 cities were represented, and later attempts to call a general meeting ended in failure.

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## **1.5 PRICES AND INFLATION**

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In historical accounts, the glamour of the overseas discoveries tends to overshadow the intensification of exchanges within the continent. Intensified exchanges led to the formation of large integrated markets for at least some commodities. Differences in the price of wheat in the various European regions leveled out as the century progressed, and prices everywhere tended to fluctuate in the same direction. The similar price movements over large areas mark the emergence of a single integrated market in cereals. Certain regions came to specialize in wheat production and to sell their harvests to distant consumers. In particular, the lands of the Vistula basin, southern Poland, and Ruthenia (western Ukraine) became regular suppliers of grain to Flanders, Holland, western Germany, and, in years of poor harvests, even England and Spain. In times of famine, Italian states also imported cereals from the far-off Baltic breadbasket. From about 1520, Hungary emerged as a principal supplier of livestock to Austria, southern Germany, and northern Italy.

Changes in price levels in the 16th century profoundly affected every economic sector, but in ways that are disputed. The period witnessed a general inflation, known traditionally as the “price revolution.” It was rooted in part in frequent monetary debasements; the French kings, for example, debased or altered their chief coinage,

the livre tournois, in 1519, 1532, 1549, 1561, 1571–75 (four mutations), and 1577. Probably more significant (though even this is questioned) was the infusion of new stocks of precious metal, especially silver, into the money supply. The medieval economy had suffered from a chronic shortage of precious metals. From the late 15th century, however, silver output, especially from German mines, increased and remained high through the 1530s. New techniques of sinking and draining shafts, extracting ore, and refining silver made mining a booming industry. From 1550 “American treasure,” chiefly from the great silver mine at Potosí in Peru (now in Bolivia), arrived in huge volumes in Spain, and from Spain it flowed to the many European regions where Spain had significant military or political engagements. Experts estimate (albeit on shaky grounds) that the stock of monetized silver increased by three or three and a half times during the 16th century.

At the same time, the growing numbers of people who had to be fed, clothed, and housed assured that coins would circulate rapidly. In monetary theory, the level of prices varies directly with the volume of money and the velocity of its circulation. New sources of silver and new numbers of people thus launched (or at least reinforced) pervasive inflation. According to one calculation, prices rose during the century in nominal terms by a factor of six and in real terms by a factor of three. The rate is low by modern standards, but it struck a society accustomed to stability. As early as 1568 the French political theorist Jean Bodin perceptively attributed the inflation to the growing volume of circulating coin, but many others, especially those victimized by inflation, chose to blame it on the greed of monopolists. Inflation contributed no small part to the period’s social tensions.

Inflation always redistributes wealth; it penalizes creditors and those who live on fixed rents or revenues; it rewards debtors and entrepreneurs who can take immediate advantage of rising prices. Moreover, prices tend to rise faster than wages. For the employer, costs (chiefly wages) lag behind receipts (set by prices), and this forms what is classically known as “profit inflation.” This profit inflation has attracted the interest of economists as well as historians; especially notable among the former is the great British economic theorist John Maynard Keynes. In a treatise on money published in 1930, he attributed to the 16th-century price revolution and profit inflation a crucial role in the primitive accumulation of capital and in the birth of capitalism itself. His analysis has attracted much criticism. Wages lagged not so much behind the prices of manufactured goods as of agricultural commodities, and inflation may not have increased profits at all. Then, too, inflation in Spain (particularly pronounced in the 1520s), or later in France, did not lead to a burst of enterprise. There is no mechanical connection between price structures and behaviour.

On the other hand, the price revolution certainly stimulated the economy. It clearly penalized the inactive. Those who wished to do no more than maintain their traditional standard of living had, nonetheless, to assume an active economic stance. The increased supply of money seems further to have lowered interest rates—another

advantage for the entrepreneur. The price revolution by itself did not assure capital accumulation and the birth of capitalism, but it did bring about increased outlays of entrepreneurial energy.

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## **1.6 LANDLORDS AND PEASANTS**

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The growing population in the 16th century and the larger concentrations of urban dwellers required abundant supplies of food. In the course of the century, wheat prices steadily rose; the blades of late medieval price scissors once more converged. Money again flowed into the countryside to pay for food, especially wheat. But the social repercussions of the rising price of wheat varied in the different European regions.

In eastern Germany (with the exception of electoral Saxony), Poland, Bohemia, Hungary, Lithuania, and even eventually Russia, the crucial change was the formation of a new type of great property, called traditionally in the German literature the *Gutsherrschaft* (ownership of an estate). The estate was divided into two principal parts: the landlord's demesne, from which he took all the harvest, and the farms of the peasants, who supplied the labour needed to work the demesne. The peasants (and their children after them) were legally serfs, bound to the soil. These bipartite, serf-run estates superficially resemble the classic manors of the early Middle Ages but differ from them in that the new estates were producing primarily for commercial markets. The binding of the peasants of eastern Europe to the soil and the imposition of heavy labour services constitute, in another traditional term, the "second serfdom."

In the contemporary west (and in the east before the 16th century), the characteristic form of great property was the *Grundherrschaft* ("ownership of land"). This was an aggregation of rent-paying properties. The lord might also be a cultivator, but he worked his land through hired labourers.

What explains the formation of the *Gutsherrschaft* in early modern eastern Europe? Historians distinguish two phases in its appearance. The nobility and gentry, even without planning to do so, accumulated large tracts of abandoned land during the late medieval population collapse. However, depopulation also meant that landlords could not easily find the labour to work their extensive holdings. Population, as previously mentioned, was growing again by 1500, and prices (especially the price of cereals) steadily advanced. Inflation threatened the standard of living of the landlords; to counter its effects, they needed to raise their incomes. They accordingly sought to win larger harvests from their lands, but the lingering shortage of labourers was a major obstacle. As competition for their labour remained high, peasants were prone to move from one estate to another, in search of better terms. Moreover, the landlords had little capital to hire salaried hands and, in the largely rural east, there were few sources of capital. They had, however, one recourse. They dominated the weak governments of the region, and even a comparatively strong ruler, like the

Russian tsar, wished to accommodate the demands of the gentry. In 1497 the Polish gentry won the right to export their grain without paying duty. Further legislation bound the peasants to the soil and obligated them to work the lord's demesne. The second serfdom gradually spread over eastern Europe; it was established in Poland as early as 1520; in Russia it was legally imposed in the Ulozhenie (Law Code) of 1649. At least in Poland, the western market for cereals was a principal factor in reviving serfdom, in bringing back a seemingly primitive form of labour organization.

No second serfdom developed in western Europe, even though the stimulus of high wheat prices was equally powerful. Harassed landlords, pressed to raise their revenues, had more options than their eastern counterparts. They might look to a profession or even a trade or, more commonly, seek at court an appointment paying a salary or a pension. The western princes did not want local magnates to dominate their communities, as this would erode their own authority. They consequently defended the peasants against the encroachments of the gentry. Finally, landlords in the west could readily find capital. They could use the money either to hire workers or to improve their leased properties, in expectation of gaining higher rents. The availability of capital in the west and its scarcity in the east were probably the chief reasons why the agrarian institutions of eastern and western Europe diverged so dramatically in the 16th century.

In the west, in areas of plough agriculture, the small property remained the most common productive unit. However, the terms under which it was held and worked differed widely from one European region to another. In the Middle Ages, peasants were typically subject to a great variety of charges laid upon both their persons and the land. They had to pay special marriage and inheritance taxes; they were further required to provide tithes to the parish churches. These charges were often small—sometimes only recognitive—and were fixed by custom. They are often regarded as “feudal” as distinct from “capitalist” rents, in that they were customary and not negotiated; the lord, moreover, provided nothing—no help or capital improvements—in return for the payments.

The 16th century witnessed a conversion—widespread though never complete—from systems of feudal to capitalist rents. The late medieval population collapse increased the mobility of the peasant population; a peasant who settled for one year and one day in a “free village” or town received perpetual immunity from personal charges. Personal dues thus eroded rapidly; dues weighing upon the land persisted longer but could not be raised. It was therefore in the landlord's interest to convert feudal tenures into leaseholds, and this required capital.

In England upon the former manors, farmers (the original meaning of the term was leaseholder or rent payer), who held land under long-term leases, gradually replaced copyholders, or tenants subject only to feudal dues. These farmers constituted the free English yeomanry, and their appearance marks the demise of the last vestiges of

medieval serfdom. In the Low Countries, urban investors bought up the valuable lands near towns and converted them into leaseholds, which were leased for high rents over long terms. The heavy infusions of urban capital into Low Country agriculture helped make it technically the most advanced in Europe, a model for improving landlords elsewhere. In central and southern France and in central Italy, urban investment in the land was closely linked to a special type of sharecropping lease, called the *métayage* in France and the *mezzadria* in Italy. The landlord (typically a wealthy townsman) purchased plots, consolidated them into a farm, built a house upon it, and rented it. Often, he also provided the implements needed to work the land, livestock, and fertilizer. The tenant gave as rent half of the harvest. The spread of this type of sharecropping in the vicinity of towns had begun in the late Middle Ages and was carried vigorously forward in the 16th century. Nonetheless, the older forms of feudal tenure, and even some personal charges, also persisted, especially in Europe's remote and poorer regions. The early modern countryside presents an infinitely complex mixture of old and new ways of holding and working the land.

Two further changes in the countryside are worth noting. In adopting Protestantism, the North German states, Holland, the Scandinavian countries, and England confiscated and sold, in whole or in part, ecclesiastical properties. Sweden, for example, did so in 1526–27, England in 1534–36. It is difficult to assess the exact economic repercussions of these secularizations, but the placing of numerous properties upon the land market almost surely encouraged the infusion of capital into (and the spread of capitalist forms of agrarian organization in) the countryside.

Second, the high price of wheat did not everywhere make cereal cultivation the most remunerative use of the land. The price of wool continued to be buoyant, and this, linked with the availability of cheap wheat from the east, sustained the conversion of ploughland into pastures that also had begun in the late Middle Ages. In England this movement is called "enclosure." In the typical medieval village, peasants held the cultivated soil in unfenced strips, and they also enjoyed the right of grazing a set number of animals upon the village commons. Enclosure meant both the consolidating of the strips into fenced fields and the division of the commons among the individual villagers. As poorer villagers often received plots too small to work, they often had little choice but to sell their share to their richer neighbours and leave the village. In 16th-century England, enclosure almost always meant the conversion of ploughland and commons into fenced meadows or pastures. To many outspoken observers, clergy and humanists in particular, enclosures were destroying villages, uprooting the rural population, and multiplying beggars on the road and paupers in the towns. Sheep were devouring the people—"Where there have been many householders and inhabitants," the English bishop Hugh Latimer lamented, "there is now but a shepherd and his dog." In light of recent research, these 16th-century enclosures were far less extensive than such strictures imply. Nonetheless,

enclosures are an example of the power of capital to transform the rhythms of everyday life; at the least, they were an omen of things to come.

In Spain, sheep and people also entered into destructive competition. Since the 13th century, shepherding had fallen under the control of a guild known as the Mesta; the guild was in turn dominated by a few grandees. The Mesta practiced transhumance (alternation of winter and spring pastures); the flocks themselves moved seasonally along great trailways called cañadas. The government, which collected a tax on exported wool, was anxious to raise output and favoured the Mesta with many privileges. Cultivators along the cañadas were forbidden to fence their fields, lest the barriers impede the migrating sheep. Moreover, the government imposed ceiling prices on wheat in 1539. Damage from the flocks and the low price of wheat eventually crippled cereal cultivation, provoked widespread desertion of the countryside and overall population decline, and was a significant factor in Spain's 17th-century decline. High cereal prices primarily benefited not the peasants but the landlords. The landlords in turn spent their increased revenues on the amenities and luxuries supplied by towns. In spite of high food costs, town economies fared well.

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## **1.7 PROTOINDUSTRIALIZATION**

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Historians favour the term “protoindustrialization” to describe the form of industrial organization that emerged in the 16th century. The word was initially applied to cottage industries in the countryside. In spite of the opposition of urban guilds, rural residents were performing many industrial tasks. Agricultural labour did not occupy the peasants during the entire year, and they devoted their free hours to such activities as spinning wool or weaving and washing cloth. Peasants usually worked for lower remuneration than urban artisans. Protoindustrialization gave rural residents supplementary income, which conferred a certain immunity from harvest failures; it enabled them to marry younger and rear larger families; it prepared them, socially and psychologically, for eventual industrialization. The efforts of urban guilds to limit rural work enjoyed only limited success; in England, for example, the restrictions seem rarely to have been enforced. Cottage industries certainly existed in the Middle Ages, but the economic expansion of the 16th century diffused them over much larger areas of the European countryside, perhaps most visibly in England and western Germany.

More recently, historians have stressed the role of towns in this early form of industrial organization. Towns remained the centres from which the raw materials were distributed in the countryside. Moreover, urban entrepreneurs coordinated the efforts of the rural workers and marketed their finished products. Certain processes—usually the most highly skilled and the most remunerative—remained centred in cities. Not only the extension of industry into rural areas but also the greater integration of city and countryside in regional economies was the principal achievement of 16th-century industry.

This manner of organizing manufactures is known as the “putting-out system,” an awkward translation of the German *Verlagssystem*. The key to its operation was the entrepreneur, who purchased the raw materials, distributed them among the working families, passed the semifinished products from one artisan to another, and marketed the finished products. He was typically a great merchant resident in the town. As trade routes grew longer, the small artisan was placed at ever-greater distances from sources of supply and from markets. Typically, the small artisan would not have the knowledge of distant markets or of the preferences of distant purchasers and rarely had the money to purchase needed raw materials. The size of the trading networks and the volume of merchandise moving within them made the services of the entrepreneur indispensable and subordinated the workers to his authority.

The production of fabric remained everywhere the chief European industry, but two developments, both of them continuations of medieval changes, are noteworthy. In southern Europe the making of silk cloth, stimulated by the luxurious tastes of the age, gained unprecedented prominence. Lucca, Bologna, and Venice in Italy and Sevilla and Granada in Spain gained flourishing industries. Even more spectacular in its rise as a centre of silk manufacture was the city and region of Lyon in central France. Lyon was also a principal fair town, where goods of northern and southern Europe were exchanged. It was ideally placed to obtain silk cocoons or thread from the south and to market the finished cloth to northern purchasers. The silk industry is also notable in that most of the workers it employed were women.

Northern industry continued to concentrate on woolens but partially turned its efforts to producing a new type of cloth, worsteds. Unlike woolens, worsteds were woven from yarn spun from long-haired wool; moreover, the cloth is not fulled (that is, washed, mixed with fuller’s earth, and pounded in order to mat the weave). Worsteds were lighter and cheaper to make than woolens and did not require the services of a mill, which might have to be located near running water. Under the name of “new draperies,” worsteds had come to dominate the Flemish wool industry in the late Middle Ages. In the 16th century, several factors—the growth of population and of markets, the revolt of the Low Countries against Spain, and religious persecutions, which led many skilled Protestant workers to seek refuge among their coreligionists—stimulated the worsted industry in England. England had developed a vigorous woolens industry in the late Middle Ages, and the spread of worsted manufacture made it a European leader in fabric production.

Another major innovation in 16th-century industrial history was the growing use of coal as fuel. England, with rich coal mines located close to the sea, could take particular advantage of this cheap mineral fuel. The port of Newcastle in Northumbria emerged in the 16th century as a principal supplier of coal to London consumers. As yet, coal could not be used for the direct smelting of iron, but it found wide application in glassmaking, brick baking, brewing, and the heating of homes. The use of coal eased the demand on England’s rapidly diminishing forests and

contributed to the growth of a coal technology that would make a crucial contribution to the later Industrial Revolution.

In industry, the 16th century was not so much an age of dramatic technological departures; rather, it witnessed the steady improvement of older technological traditions—in shipbuilding, mining and metallurgy, glassmaking, silk production, clock and instrument making, firearms, and others. Europe slowly widened its technological edge over non-European civilizations. Most economic historians further believe that protoindustrialization, and the commerce that supplied and sustained it, best explains the early accumulations of capital and the birth of a capitalist economy.

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## **1.8 GROWTH OF BANKING AND FINANCE**

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Perhaps the most spectacular changes in the 16th-century economy were in the fields of international banking and finance. To be sure, medieval bankers such as the Florentine Bardi and Peruzzi in the 14th century and the Medici in the 15th had operated on an international scale, but the full development of an international money market with supporting institutions awaited the 16th century. Its earliest architects were South German banking houses, from Augsburg and Nürnberg in particular, who were well situated to serve as financial intermediaries between such southern capitals as Rome (or commercial centres such as Venice) and the northern financial centre at Antwerp. Through letters of exchange drawn on the various bourses that were growing throughout Europe, these bankers were able to mobilize capital in fabulous amounts. In 1519 Jakob II Fugger the Rich of Augsburg amassed nearly two million florins for the Habsburg king of Spain, Charles I, who used the money to bribe the imperial electors (he was successfully elected Holy Roman emperor as Charles V). Money was shaping the politics of Europe.

The subsequent bankruptcies of the Spanish crown injured the German bankers; from 1580 or even earlier, the Genoese became the chief financiers of the Spanish government and empire. Through the central fair at Lyon and through letters of exchange and a complex variant known as the *asiento*, the Genoese transferred great sums from Spain to the Low Countries to pay the soldiers of the Spanish armies. In the mid-16th century, dissatisfied with Lyon, the Genoese set up a fictional fair, known as *Bisenzone* (Besançon), as a centre of their fiscal operations. Changing sites several times, “*Bisenzone*” from 1579 settled at Piacenza in Italy.

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## **1.9 POLITICAL AND CULTURAL INFLUENCES ON THE ECONOMY**

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The centralized state of the early modern age exerted a decisive influence on the development of financial institutions and in other economic sectors as well. To maintain its power both within its borders and within the international system, the state supported a large royal or princely court, a bureaucracy, and an army. It was the

major purchaser of weapons and war matériel. Its authority affected class balances. Over the century's course, the prince expanded his authority to make appointments and grant pensions. His control of resources softened the divisions among classes and facilitated social mobility. Several great merchants and bankers, the Fuggers among them, eventually were ennobled. Yet, in spending huge sums on war, the early modern state may also have injured the economy. The floating debt of the French crown came close to 10 million ecus (the ecu was worth slightly less than a gold florin), that of the Spanish, 20 million. These sums probably equaled the worth of the circulating coin in the two kingdoms. Only in England did the public debt remain at relatively modest proportions, about 200,000 gold ducats. Governments, with the exception of the English, were absorbing a huge part of the national wealth. The Spanish bankruptcies were also sure proof that Spain had insufficient resources to realize its ambitious imperial goals.

The effort to control the economy in the interest of enhancing state power is the essence of the political philosophy known as mercantilism. Many of the policies of 16th-century states affecting trade, manufactures, or money can be regarded as mercantilistic, but as yet they did not represent a coherent economic theory. The true age of mercantilism postdates 1650.

Cultural changes also worked to legitimate, even to inspire, the early modern spirit of enterprise. In a famous thesis, the German sociologist Max Weber and, later, the English historian Richard Henry Tawney posited a direct link between the Protestant ethic, specifically in its Calvinist form, and the capitalist motivation. Medieval ethics had supposedly condemned the profit motive, and teachings about usury and the just price had shackled the growth of capitalist practices. Calvinism made the successful merchant God's elect. Today, this thesis appears too simple. Many movements contributed to a reassessment of the mercantile or business life, and the rival religious confessions influenced one another. Calvinism did not really view commercial success as a sign of God's favour until the 17th century, but 16th-century Roman Catholic scholastics (as the humanists before them) had come to regard the operations of the marketplace as natural; it was good for the merchant to participate in them. Martin Luther, in emphasizing that every Christian had received a calling (Berufung) from God, gave new dignity to all secular employments. Roman Catholics developed their own theory of the "vocation" to both secular and religious callings in what was a close imitation of the Lutheran Berufung.

### **Check Your Progress**

- 1) Discuss the economic condition of Europe during 15<sup>th</sup>

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2) Write on Industrial production during 16<sup>th</sup> century

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## 1.10 LET US SUM UP

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Many have been proposed different factors that can explain the social history of Europe's in 16th century *e.g.* population growth, overseas discoveries, the emergence of a world economic system, American treasure, profit inflation, capital accumulation, protoindustrialization, the Renaissance or Reformation. In the 16<sup>th</sup> century, perhaps the most decisive change was progress towards more integrated systems of social organization and action and towards wider and tighter social networks. The western monarchies overcame much of the political localism of the medieval world and set a model that even divided Italy and Germany would eventually emulate. Economic integration advanced even more rapidly; markets in foodstuffs, spices, luxuries, and money extended throughout the continent: The skilled banker could marshal funds from all the continent's money markets; silks from Lucca were sold in Poland. Cities formed into hierarchies, still on a regional basis but surpassing in their effectiveness the loose associations of medieval urban places. To be sure, competition among the centralized states often led to destructive wars and terrible waste of resources; and the quest for unity brought shameful persecution upon those who could not or would not conform to the dominant culture.

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## 1.11 KEY WORDS

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**Craftsman** : A worker skilled in a particular craft.

**Industrialisation** : The development of industries in a country or region on a wide scale.

**Merchant** : A person or company involved in wholesale trade.

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## 1.12 ANSWERS TO CHECK YOUR PROGRESS EXERCISES

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### Check Your Progress

- 1) See Section 1.2
- 2) See Section 1.7

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## UNIT 2 : TRADE AND COMMERCE

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### Structure

- 2.0 Objectives
- 2.1 Introduction
- 2.2 Guilds
- 2.3 Fairs
- 2.4 The Pax Mongolica and the Silk Road in 13<sup>th</sup>-14<sup>th</sup> Century
- 2.5 Hanseatic League
- 2.6 Ups and Downs in the Economy (12<sup>th</sup>-14<sup>th</sup> Century)
- 2.7 European Trade during 15<sup>th</sup> and 16<sup>th</sup> Century
  - 2.7.1 The Portuguese Trade
  - 2.7.2 Jacques Coeur, Merchant (1432-1451)
  - 2.7.3 Europe's Inland Waterways
  - 2.7.4 Rivals in the Overseas Trade
  - 2.7.5 Spanish Silver: 16<sup>th</sup> Century
  - 2.7.6 The Atlantic Cod Trade (1497-1583)
  - 2.7.7 Dutch Trade in the East
- 2.8 Trade Winds: from the 16<sup>th</sup> Century
- 2.9 Let Us Sum Up
- 2.10 Key Words
- 2.11 Answers to Check Your Progress Exercises

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## 2.0 OBJECTIVES

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After reading this unit you will be able to know about;

- factors that led to a change in commerce and trade in the Late Middle Ages,
- reasons for competition in trade between the Western European countries, and
- growth of trade in the Atlantic Ocean.

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## 2.1 INTRODUCTION

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One reason for the flowering of culture during the Renaissance was the growth of trade and commerce. Trade brought new ideas as well as goods into Europe. Cities, such as Venice and Genoa in Italy, were centrally located on the trade routes that linked the rest of Western Europe with the East. They became bustling, prosperous trading centers that attracted merchants and customers, as did cities in northern Europe, such as Bruges and Brussels. Trade ships carried goods to England,

Scandinavia, and present-day Russia by way of the English Channel and the Baltic and North seas. Towns along the routes connecting southern and northern Europe, such as Cologne and Mainz in Germany, provided inns and other services for traveling merchants. The increase in trade led to a new kind of economy. During the Middle Ages, people bartered, or traded, goods. By the Renaissance, people were using coins to buy merchandise, creating a money economy. Coins came from many places, so money changers were needed to convert one type of **currency** into another. As a result of all this activity, craftspeople, merchants, and bankers became more important in society. Craftspeople produced goods that merchants traded across Europe. Bankers exchanged currency, loaned money to merchants and rulers, and financed their own businesses. During the Late Middle Ages, the increasingly dominant position of the Ottoman Empire in the eastern Mediterranean presented an impediment to trade for the Christian nations of the west, who started looking for alternatives. Portuguese and Spanish explorers found new trade routes south of Africa to India, and across the Atlantic Ocean to America.

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## 2.2 GUILDS

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With the financial expansion, trading rights were more jealously guarded by the commercial elite. Towns saw the growing power of guilds that arose in the 14<sup>th</sup> century as craftsmen uniting to protect their common interest. The appearance of the European guilds was tied to the emergent money economy and to urbanization. Before this time it was not possible to run a money-driven organization, as commodity money was the normal way of doing business.

In medieval cities, craftsmen started to form associations based on their trades. Confraternities of textile workers, masons, carpenters, carvers, and glass workers, all controlled secrets of traditionally imparted technology—the “arts” or “mysteries” of their crafts. Usually the founders were free independent master craftsmen who hired apprentices. These guilds were organized in a manner similar to something between a professional association, a trade union, a cartel, and a secret society. They often depended on grants of letters patented by a monarch or other authority to enforce the flow of trade to their self-employed members, and to retain ownership of tools and the supply of materials. A lasting legacy of traditional guilds are the guildhalls constructed and used as meeting places.

Where guilds were in control, they shaped labour, production, and trade; they had strong controls over instructional capital, and the modern concepts of a lifetime progression of apprentice to craftsman, and then from journeyman eventually to widely recognized master and grandmaster, began to emerge. European guilds imposed long standardized periods of apprenticeship and made it difficult for those lacking the capital to set up for themselves or without the approval of their peers to gain access to materials or knowledge, or to sell into certain markets, an area that equally dominated the guilds’ concerns. These are defining characteristics of

mercantilism in economics, which dominated most European thinking about political economy until the rise of classical economics.

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## 2.3 FAIRS

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From the 12<sup>th</sup> century onwards, many English towns acquired a charter from the Crown allowing them to hold an annual fair, usually serving a regional or local customer base and lasting for two or three days. Fairs grew in popularity, reaching their heyday in the 13<sup>th</sup> century, as the international wool trade increased. The fairs allowed English wool producers and ports on the east coast to engage with visiting foreign merchants, circumnavigating those English merchants in London keen to make a profit as middlemen. At the same time, wealthy magnate consumers in England began to use the new fairs as a way to buy goods like spices, wax, preserved fish, and foreign cloth in bulk from the international merchants at the fairs, again bypassing the usual London merchants. Towards the end of the 14<sup>th</sup> century, the position of fairs started to decline. The larger merchants, particularly in London, had begun to establish direct links with the larger landowners such as the nobility and the church; rather than the landowner buying from a chartered fair, they would buy directly from the merchant. Nonetheless, the great fairs remained important well into the 15<sup>th</sup> century, as illustrated by their role in exchanging money, regional commerce, and providing choice for individual consumers.

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## 2.4 THE PAX MONGOLICA AND THE SILK ROAD IN 13<sup>TH</sup>-14<sup>TH</sup> CENTURY

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By the middle of the 13<sup>th</sup> century the family of Genghis Khan controls Asia from the coast of China to the Black Sea. Not since the days of the Han and Roman empires, when the Silk Road is first opened, has there been such an opportunity for trade. In the intervening centuries the eastern end of the Silk Road has been unsafe because of the Chinese inability to control the fierce nomads of the steppes (nomads such as the Mongols), and the western end has been unsettled by the clash between Islam and Christianity. Now, with the Mongols policing the whole route, there is stability. In an echo of the Pax Romana, the period is often described as the Pax Mongolica.

In 1340 an Italian guide book is published giving merchants practical advice on the journey. They should let their beards grow, to be inconspicuous in Asia. They will be more comfortable if they hire a woman near the Black Sea to look after their needs on the journey. The assurance that the road is safe has an alarming ring to our ears: 'If you are some sixty men in the company, you will go as safely as if you were in your own house.' But the List of commodities changing hands on the route can be guaranteed to quicken the pulse of any ambitious trader. Trade with the Mongol east is best known through the adventures of three Italian merchants - Marco Polo, with his father and uncle.

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## 2.5 HANSEATIC LEAGUE

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In 1159 Henry the Lion, duke of Saxony and Bavaria, builds a new German town on a site which he has captured the previous year. It is Lübeck, perfectly placed to benefit from developing trade in the Baltic. Goods from the Netherlands and the Rhineland have their easiest access to the Baltic through Lübeck. For trade in the opposite direction, a short land journey from Lübeck across the base of the Danish peninsula brings goods easily to Hamburg and the North Sea. Over the next two centuries Lübeck and Hamburg, in alliance, become the twin centres of a network of trading alliances known later as the Hanseatic League. A *Hanse* is a guild of merchants. Associations of German merchants develop in the great cities on or near the Baltic (Gdansk, Riga, Novgorod, Stockholm), on the coasts of the North Sea (Bergen, Bremen) and in western cities where the Baltic trade can be profitably brokered - in particular Cologne, Bruges and London.

It suits these German merchants, and the towns which benefit from their efforts, to form mutual alliances to further the flow of trade. Safe passage for everyone's goods is essential. The control of pirates becomes a prime reason for cooperation, together with other measures (such as lighthouses and trained pilots) to improve the safety of shipping. The rapid growth of Hanseatic trade during the 13<sup>th</sup> century is part of a general pattern of increasing European prosperity. During this period the towns with active German hanse gradually organize themselves in a more formal league, with membership fees and regular 'diets' to agree policies of mutual benefit. By the 14<sup>th</sup> century there about 100 such towns, some of them as far afield as Iceland and Spain. Their German communities effectively control the trade of the Baltic and North Sea.

But economic decline during the 14<sup>th</sup> century takes its toll on the success of the Hanseatic towns. So do political developments around the Baltic. In 1386 Poland and Lithuania merge, soon winning the region around Gdansk from the Teutonic knights. On the opposite shore of the sea, the three Scandinavian kingdoms are united in 1389; the new monarchy encompasses Stockholm, previously an independent Hanseatic town. A century later, when Ivan III annexes Novgorod, he expels the German merchants. Such factors contribute to the gradual decline of the Hanseatic League. What began as a positive union to promote trade becomes a restrictive league, attempting to protect German interests against foreign competitors. But great enterprises fade slowly. The final Hanseatic diet is held as late as 1669.

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## 2.6 UPS AND DOWNS IN THE ECONOMY (12<sup>TH</sup>-14<sup>TH</sup> CENTURY)

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Throughout Europe the period from about 1150 to 1300 sees a steady increase in prosperity, linked with a rise in population. There are several reasons. More land is brought into cultivation - a process in which the Cistercians play an important part.

Rich monasteries, controlled by powerful abbots, become a significant feature of feudal Europe. In tandem with the improvement in rural wealth is the development of cities thriving on trade, in luxury goods as well as staple products such as wool.

Prominent among the trading centres of the 13<sup>th</sup> century are the coastal Italian cities, whose merchants ply the Mediterranean; Venice is particularly prosperous after the opportunities presented by the fourth crusade. In a similar way the cities of the Netherlands are well placed to profit from commerce between their three larger neighbours - England, France and the German states. And the Hanseatic towns handle the trade from the Baltic. Together with this increase in trade goes the development of banking. Christian families, particularly in the towns of northern Italy, begin to amass fortunes by offering the financial services which have previously been the preserve of the Jews. In the 14<sup>th</sup> century this economic prosperity falters. Land goes out of cultivation, the volume of trade drops. There are various possible reasons. There is an unusual run of disastrously bad harvests in many areas in the early part of the century. And social structures are painfully adjusting, as the old feudal system of obligations crumbles.

The final straw is the Black Death, which not only kills a third of Europe's population in 1348-9; it also ushers in an era when plague is a recurrent hazard. The 14<sup>th</sup> century is not the best in which to live. But in the 15<sup>th</sup> century - the time of the Renaissance in Europe, and the age of exploration - economic conditions improve again.

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## **2.7 EUROPEAN TRADE DURING 15<sup>TH</sup> AND 16<sup>TH</sup> CENTURY**

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The following sections deal with the growth of trade and commerce in Europe during 15<sup>th</sup> and 16<sup>th</sup> Century.

### **2.7.1 The Portuguese Trade**

The Portuguese expeditions of the 15<sup>th</sup> century bring European ships for the first time into regular contact with sub-Saharan Africa. This region has long been the source of slaves for the route through the Sahara to the Mediterranean. The arrival of the Portuguese opens up another channel. Nature even provides a new collection point for this human cargo. The volcanic Cape Verde Islands, with their rocky and forbidding coastlines, are uninhabited. But they contain lush tropical valleys. And they are well placed on the sea routes between West Africa, Europe and America. Portuguese settlers move into the Cape Verde islands in about 1460. In 1466 they are given an economic advantage which guarantees their prosperity. They are granted a monopoly of a new slave trade. On the coast of Guinea the Portuguese are now setting up trading stations to buy captive Africans.

Some of these slaves are used to work the settlers' estates in the Cape Verde islands. Others are sent north for sale in Madeira, or in Portugal and Spain - where Seville now becomes an important market. Africans have been imported by this sea route

into Europe since at least 1444, when one of Henry the Navigator's expeditions returns with slaves exchanged for Moorish prisoners.

The labour of the slaves in the Cape Verde Islands primes a profitable trade with the African region which becomes known as Portuguese Guinea or the Slave Coast. The slaves work in the Cape Verde plantations, growing cotton and indigo in the fertile valleys. They are also employed in weaving and dyeing factories, where these commodities are transformed into cloth. The cloth is exchanged in Guinea for slaves. And the slaves are sold for cash to the slaving ships which pay regular visits to the Cape Verde Islands. This African trade, together with the prosperity of the Cape Verde Islands, expands greatly with the development of labour-intensive plantations growing sugar, cotton and tobacco in the Caribbean and America. The Portuguese enforce a monopoly of the transport of African slaves to their own colony of Brazil. But other nations with transatlantic interests soon become the main visitors to the Slave Coast. By the 18<sup>th</sup> century the majority of the ships carrying out this appalling commerce are British. They waste no part of their journey, having evolved the procedure known as the triangular trade.

The profitable trade in eastern spices is cornered by the Portuguese in the 16<sup>th</sup> century to the detriment of Venice, which has previously had a virtual monopoly of these valuable commodities - until now brought overland through India and Arabia, and then across the Mediterranean by the Venetians for distribution in western Europe. By establishing the sea route round the Cape, Portugal can undercut the Venetian trade with its profusion of middlemen. The new route is firmly secured for Portugal by the activities of Afonso de Albuquerque, who takes up his duties as the Portuguese viceroy of India in 1508. The early explorers up the east Africa coast have left Portugal with bases in Mozambique and Zanzibar. Albuquerque extends this secure route eastwards by capturing and fortifying Hormuz at the mouth of the Persian Gulf in 1514, Goa on the west coast of India in 1510 (where he massacres the entire Muslim population for the effrontery of resisting him) and Malacca, guarding the narrowest channel of the route east, in 1511. The island of Bombay is ceded to the Portuguese in 1534. An early Portuguese presence in Sri Lanka is steadily increased during the century. And in 1557 Portuguese merchants establish a colony on the island of Macao. Goa functions from the start as the capital of Portuguese India.

### **2.7.2 Jacques Coeur, Merchant (1432-1451)**

The career of Jacques Coeur vividly suggests the opportunities open to an enterprising merchant in the 15<sup>th</sup> century. The greatest source of trading wealth is the Mediterranean, linking Christian markets in the west with Muslim ones in the east - known at this time as the Levant, the land of the rising sun. Jacques Coeur enters this trade in 1432. He soon has seven galleys taking European cloth to the Levant and bringing back oriental spices. At Montpellier he builds a great warehouse to form the centre of his trading operation. Agents promote Jacques Coeur's business from a

string of offices which link the Mediterranean source of his wealth with the markets of Western Europe. He is represented in Barcelona, Avignon, Lyons, Paris, Rouen and Bruges. Rapid commercial success and a marked political talent soon bring Jacques Coeur influence in government. Master of the mint in Paris from 1436, he is put in charge of royal expenditure three years later. In 1441 he is ennobled. In 1442 he becomes a member of the king's council.

These are heady years in which to be close to the French court, as Charles VII recovers his kingdom in the closing stages of the Hundred Years' War. The king returns at last to Paris in 1437, the year after Jacques Coeur's appointment to head the royal mint in the capital city. When Charles wins Normandy in 1450, he is financed by a large loan from his commercial friend. Jacques Coeur enters Rouen in pomp and ceremony beside the king. Meanwhile in Bourges, where for so many years Charles VII held his court, the merchant has built himself a house fit for a king. The Palace of Jacques Coeur, still surviving, is a spectacular example of 15th-century domestic architecture. Such conspicuous wealth and power in an upstart brings its own dangers. Jacques Coeur has lent large sums to many in court circles. Greed and envy alike prompt his ruin. The king is persuaded that Jacques Coeur is guilty of various financial crimes and may even be responsible for the death of Charles's mistress, Agnès Sorel, in 1450. Jacques Coeur is arrested and imprisoned in 1451. He escapes two years later and makes his way to Rome to serve the pope. All his possessions have been confiscated. Nothing survives of the mighty merchant's kingdom. Jacques Coeur's story reflects the dangers of the age - but also, even more abundantly, its opportunities.

### **2.7.3 Europe's Inland Waterways**

Trade up and down great rivers and in coastal waters is as old as civilization. Trade across seas develops as soon as adequate boats are built, most notably by the Phoenicians. The natural next stage is to join river systems and even seas by man-made canals. Pioneered in Egypt and China in very ancient times, this development does not occur in Europe until the 15<sup>th</sup> century CE. With prosperity beginning to pick up after the depression following the Black Death, merchants have need of cheap and reliable transport. Europe's roads are rutted tracks, the use of which is slow and dangerous. There is good commercial reason to connect the rivers, the arteries of trade. The merchants of Lübeck take the first step. From 1391 the Stecknitz canal is constructed southwards from the city of Lübeck. Its destination is the Elbe, which is reached early in the 15<sup>th</sup> century. The new waterway joins the Baltic to the North Sea.

This canal rises some 40 feet from Lübeck to the region of Möllner and then falls the same amount again to reach the Elbe, all in a distance of 36 miles. This must be about the limit which can be safely achieved with flash locks. With mitre locks, from the 16<sup>th</sup> century, anything is possible. And the most ambitious projects are undertaken in France. The Briare canal, completed in 1642, joins the Seine to the

Loire; at one point it has a staircase of six consecutive locks to cope with a descent of 65 feet over a short distance. Even more remarkable is the Canal du Midi, completed in 1681, which joins the Mediterranean to the Atlantic by means of 150 miles of man-made waterway linking the Aude and Garonne rivers. At one point this canal descends 206 feet in 32 miles; three aqueducts are constructed to carry it over rivers; a tunnel 180 yards long pierces through one patch of high ground. The potential of canals is self-evident. It falls to Britain, in the next century, to construct the first integrated system of waterborne traffic.

#### **2.7.4 Rivals in the Overseas Trade**

With this chain of fortified ports of call, and with no vessels in the Indian Ocean capable of challenging her power at sea, Portugal has a monopoly of the eastern spice trade. Indeed the English, now developing interests of their own in ocean commerce, consider that their only hope of trade with the far-east is to find a route north of Russia. One of the first joint-stock enterprises, the Muscovy Company chartered in 1555, results from early efforts to find a northeast passage. Of the other Atlantic maritime powers, Spain is mainly occupied with its American responsibilities. And the Dutch enjoy a direct benefit from Portugal's trade. Their ships have a monopoly in ferrying the precious eastern cargoes from Lisbon to northern Europe. The situation changes suddenly in 1580, when the Spanish (perennial enemies of the Dutch) occupy Portugal. The Spanish leave control of the Portuguese empire to Lisbon, but the political change in itself does damage to Portugal's trading interests. Deprived now of their share of the eastern trade, the Dutch resolve to build up a commerce of their own. Like the English, their first instinct is to look for a northeast passage (a task which takes Willem Barents into uncharted waters). But in 1595 they decide that their best course of action is to challenge the Portuguese on the southern route. It is a decision which will lead to major changes in the eastern trade. But in the short term, the greater volume of trade is now being carried out by Spain across the Atlantic.

#### **2.7.5 Spanish Silver: 16<sup>th</sup> Century**

The wealth of Spain's new colonies in Latin America derives mainly from silver. In 1545 a prodigious source of the metal is discovered at Potosí, in modern Bolivia. This region, high in the Andes, is so rich in both silver and tin that it eventually has as many as 5000 working mines. In 1546, a year after the discovery at Potosí, silver is found at Zacatecas in Mexico. Other major new sources of the metal are found in Mexico in the next few years. At the same time sources of gold are being tapped, though in much less quantity. Convoys of Spanish caravels, after delivering to Portobelo the European goods needed in the colonies, carry back to Spain the precious bullion with which the colonists pay for it - together with the 20% of all gold and silver due to the Spanish crown. These treasures attract privateers from northern Europe - meaning privately owned vessels operating, even if informally, on behalf of a government. Their captains are drawn to the Spanish Main (the mainland

of Spanish America, where the ships dock) like wasps to a honey pot. Sailors from England, such as Francis Drake, prey on the Spanish fleets in what is effectively a programme of national piracy.

At the Spanish end, all trade has to be channelled through the official Casa de Contratación (House of Trade) established in Seville in 1503. This monopoly brings great wealth to Seville, and an increase in prosperity from this flow of bullion spreads outwards through Europe. The region of Seville, and indeed the whole of Spain, cannot provide all the goods required by the colonists. Raw materials and manufactured goods from far flung regions make their way to Seville for transport to America. Europe in the 16<sup>th</sup> century is already experiencing, for other reasons, an inflationary pressure. The Spanish bullion has an added effect in pushing prices up.

### **2.7.6 The Atlantic Cod Trade (1497-1583)**

The voyage of John Cabot in 1497 directs European attention to the rich stocks of fish in the waters around Newfoundland. Soon fishing fleets from the Atlantic nations of Europe are making annual visits to catch cod. They bring with them large supplies of salt. Summer settlements are established, on the coasts of Newfoundland, to process the fish before it is transported back to European markets in the autumn. England plays a leading role in the trade, and in 1583 Humphrey Gilbert formally annexes Newfoundland on behalf of the English queen. It is a claim which does not go undisputed - particularly by France, whose fleets are the main rivals of the English in these waters.

### **2.7.7 Dutch Trade in the East**

The first Dutch expedition round the Cape to the far-east, in 1595, is captained by Jan Huyghen van Linschoten, a Netherlands merchant whose only knowledge of the orient comes from trading in Lisbon. The survivors of this journey get back to Holland two years later. They bring valuable cargo. And they have established a trading treaty with the sultan of Bantam, in Java. Their return prompts great excitement. Soon about ten private vessels are setting off each year from the Netherlands to find their fortune in the east. The States General of the newly independent Dutch republic decide that this unlicensed trading activity, in distant and dangerous waters, needs both control and protection. In 1602 the States General form a Dutch East India Company, with extensive privileges and powers. It is to have a tax-free monopoly of the eastern trade for twenty-one years. It is authorized to build forts, establish colonies, mint coins, and maintain a navy and army as required. With these powers the company takes only a few decades to deprive Portugal of the spice trade. A capital is established at Batavia, in Java, in 1619. The Portuguese are driven out of Malacca by 1641 and from Sri Lanka by 1658. But the main focus of Dutch attention is the Moluccas - the Indonesian islands of which the alternative name, the Spice Islands, declares their central importance in the eastern trade.

The Moluccas are the source of the most valuable spice of all, the clove, coveted for many different purposes - as a flavour in food, as a preservative, as a mild anaesthetic, as an ingredient in perfume, even to mask stinking breath. In pursuit of Moluccan cloves, and also nutmegs, the Portuguese make local treaties as early as 1512. In the early decades of the 17<sup>th</sup> century the Dutch East India Company gradually excludes the Portuguese from trade in the Moluccas. The Dutch also take on, and oust from the islands, another European nation attempting to get a foothold in the region - the English East India Company. The Dutch control the trade in cloves with ruthless efficiency. During the 17<sup>th</sup> century clove trees are eradicated on all the Spice Islands except two-Amboina and Ternate to limit production and keep prices high. Strict measures are taken to ensure that plants are not exported for propagation elsewhere (a restriction successfully maintained until the late 18<sup>th</sup> century). The Portuguese never recover their trading strength in the east. But in expelling the English from the Moluccas, the Dutch unwittingly do them a favour. The English East India Company decides to concentrate its efforts on India.

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## 2.8 TRADE WINDS: FROM THE 16<sup>TH</sup> CENTURY

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The development of ocean travel in the 16<sup>th</sup> century brings with it an increasing knowledge of wind patterns. The phrase 'trade wind' is ancient. Deriving from an old use of 'trade' to mean a fixed track, it is applied to any wind which follows a predictable course. Since such winds can be of great value to merchant ships making long ocean voyages, the term becomes understood in the 18<sup>th</sup> century to mean winds which favour trade. The best known trade winds are those in the Atlantic which blow from the northeast in the northern hemisphere and from the southeast south of the equator. This predictable pattern explains why ships sailing between Europe and the Cape take a wide curving course through the Atlantic. Even more useful as trade winds are the monsoons which blow in the Indian Ocean. Their particular benefit to long-distance merchantmen is a change of direction at different seasons of the year. The northeast monsoon blows from October to March and the southwest monsoon from April to September. East Indiamen therefore schedule their journeys to arrive at their eastern destination before the spring, and to depart for Europe again during the summer.

### Check Your Progress

1) Write a note on role of fairs for the promotion of trade in Europe.

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2) Discuss the problem for the trade and commerce in Europe during 12<sup>th</sup>-14<sup>th</sup> Centuries.



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## 2.11 ANSWERS TO CHECK YOUR PROGRESS EXERCISES

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### Check Your Progress

- 1) See Section 2.3
- 2) See Section 2.6
- 3) See Section 2.8

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## **UNIT 3 : URBAN DEVELOPMENT, TOWN LIFE**

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### **Structure**

- 3.0 Objectives
- 3.1 Introduction
- 3.2 Fundamental Themes
- 3.3 Characteristics of the Early Modern City
- 3.4 Social Organization of Cities
- 3.5 Urban Government
- 3.6 Guilds and the Urban Economy
- 3.7 Religious and Social Issues
- 3.8 Let Us Sum Up
- 3.9 Key Words
- 3.10 Answer to Check Your Progress Exercises

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### **3.0 OBJECTIVES**

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After reading this unit you will be able to;

- the process of urban development during 15<sup>th</sup> and 16<sup>th</sup> century, and
- compare and contrast the lives of different groups of the population.

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### **3.1 INTRODUCTION**

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Throughout the early modern era, cities and towns played a vastly greater role in shaping the character of European society than the number of their inhabitants might suggest. European society in the early modern era was predominantly rural. At the beginning of the sixteenth century, only about one-tenth of the total population of Europe inhabited urban centers, and by the end of the eighteenth century this proportion was not substantially larger. Yet cities and towns (the terms are almost interchangeable, with American usage generally preferring "cities" and British usage favouring "towns") had an economic, political, and cultural impact out of proportion to their collective size.

Cities were bigger than villages. What defined them as cities, however, was not mere size, for they had specific characteristics and functions that made them fundamentally different from the rural communities in which most Europeans lived. Cities were centers of exchange. They always had frequent markets that served the needs of the surrounding region and often had annual or semi-annual trade fairs that attracted merchants from much farther away. They were also centers of production, for handcrafted goods were manufactured and sold in every European town. Often

this craft production was highly specialized. Distinct trades with their own techniques and traditions were devoted to the production of particular varieties of textiles, clothing, leather goods, metal ware, ceramics, and wooden products. Larger urban centers also played an important role in organizing long-distance trade and providing financial services. Often the inhabitants of cities enjoyed the exclusive right to carry out these various urban functions.

The special character of the European city had emerged gradually during the Middle Ages, when feudal rulers granted charters that gave town dwellers special economic and political privileges in return for benefits, usually financial, that the towns could offer the rulers. A typical privilege was the right to hold markets and fairs. Another was the right to construct a wall, which would enable the town to regulate the flow of people and goods through its gates. Often towns also obtained rights of self-government, under which interference by the ruler's officials was sharply restricted. Only a few cities were fully independent city-states, but many enjoyed a high degree of political autonomy.

The social organization of towns was also distinctive. Each European city had a body of adult male householders—citizens, burghers, freemen, bourgeois, or the like—who collectively embodied the political community. Membership in the citizenry was passed on to male descendants, though newcomers might also be admitted. In theory, though not always in practice, only citizens could participate fully in the city's economic life as merchants or craft masters. Economic life was organized largely around guilds, which were typically but not always made up of individuals who practiced the same occupation. Membership in the relevant guild was often a prerequisite for engaging in a particular trade or craft. Authority in all its forms was exercised on a collective basis. Virtually every city was governed by a council or group of councils made up of prosperous male citizens. Power was always gendered. Women could inherit and own property and engage in certain forms of economic enterprise, but they were excluded both from decision making in the guilds and from membership in any of the governing councils.

These basic parameters of urban life remained largely constant during the early modern era. Yet urban society was by no means static. Some cities acquired an entirely new role in the early modern era, as hitherto minor towns like Madrid or Berlin turned into major administrative capitals for the absolutist states which emerged in the seventeenth and eighteenth centuries. Even cities whose functions remained largely commercial also underwent significant changes between the end of the Middle Ages and the eve of the industrial era. But urban historians continue to debate the pace, extent, and character of these changes.

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## **3.2 FUNDAMENTAL THEMES**

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Writings on the history of cities in early modern Europe can be grouped into three main categories.

- The first group examines cities from the perspective of urbanism. This approach emphasizes changes in the design and layout of cities and the character of buildings and urban infrastructures. Though drawing heavily on the history of architecture and urban planning, the urban tradition is ultimately concerned with the relationship between the physical structures of cities and the quality of urban life. The most influential work in this tradition is Lewis Mumford's *The City in History* (1961). Mumford valued what he perceived as the organic and intimate character of the medieval city and viewed the attempts by early modern rulers to redesign cities along more grandiose lines as alienating—a view adopted, with modifications, by some of his disciples.
- A second approach looks at cities from the point of view of urbanization. This approach is concerned less with specific cities than with the relationship among cities within broader urban networks and attempts to delineate or measure changes in the size and economic importance of urban society as a whole. Notable works within this group include the important survey by Paul M. Hohenberg and Lynn Hollen Lees, *The Making of Urban Europe, 1000–1950* (1985), and the pioneering summary and analysis of demographic data by Jan de Vries, *European Urbanization, 1500–1800* (1984).
- The third approach, which might be called urban history as such, is founded on the description and analysis of the social, political, economic, or cultural history of particular cities. The earliest publications in this tradition belong to the genre of local history, works whose main purpose is to inform inhabitants or visitors about the history and heritage of individual cities. But the most important works of urban history are those whose authors examined individual cities as case studies to cast some light on the character of urban society as a whole. French historians of the early postwar era established a benchmark for such studies with their attempts to study the *histoire totale* of particular cities. Only a few historians have attempted to achieve the same breadth that Pierre Goubert did in his pioneering study of Beauvais and its region, but many have emulated his commitment to understanding early modern society by examining individual urban communities in depth.

In fact most of the great themes of early modern European history are closely linked to the urban experience. Inevitably, then, urban historians have striven to determine both the extent to which cities played a role in causing fundamental changes and the extent to which the cities themselves were transformed by these changes.

One major theme involves the religious division of Europe brought about by the Protestant Reformation of the sixteenth century. Cities played a key role in the emergence of Protestant ideas, and some cities became arenas of bitter religious conflict. But cities also served as templates for religious compromise when Europeans began to experiment with the concept of confessionally divided communities.

A second theme relates to the growing power of centralized states, especially in western and northern Europe. Cities inevitably felt the impact when monarchical regimes tried to expand their administrative reach. But the process of state expansion was irregular, and the way in which cities responded was far from uniform. In some cities local elites firmly resisted any attempts to diminish local autonomy, but in other cases urban leaders cooperated with state officials and welcomed the opportunity to integrate themselves into broader structures of authority.

A third great theme has to do with the cluster of economic changes generally referred to as the growth of capitalism. Historians have debated exactly what capitalism is or was. To some, notably those in the marxist tradition, capitalism is an economic system in which the dominant form of production is manufacture and the means of production are mostly owned by bourgeois entrepreneurs. To others, influenced by Max Weber, capitalism is a system of economic practice characterized by the rational pursuit of sustained profit. To yet others, capitalism is virtually synonymous with market relations, the free exchange of goods and services, with prices and wages determined by supply and demand rather than traditional expectations or state controls. Yet no matter which of these definitions is preferred, substantial evidence indicates that economic transactions in early modern Europe increasingly took place in a capitalistic way. Less self-evident is the role that cities played in this process. Traditional marxist historiography presupposed that capitalist enterprise was based in cities and was controlled by members of the urban bourgeoisie. Yet analysts emphasized the extent to which capitalist practices were also applied to agricultural production. Some also argued that the emergence of large-scale rural manufacturing during the early modern era—the process generally referred to as protoindustrialization—diminished the importance of cities in the transition to a modern industrial economy. There is little question, however, that even if dramatic increases in production took place in the countryside, cities continued to supply much of the capital invested in rural enterprises. Of course cities, especially strategically located ports, were the conduit through which the profits generated by European conquests in the New World were funnelled back to the Old.

Some historians have proposed a fourth major theme of early modern social history, the growth of what is generally labelled "social discipline." This refers to the efforts by social elites to impose habits of obedience and regularity on the rest of society to make members of the lower orders more pliant to the authorities and more accustomed to the work routines required by the capitalist system. The pervasiveness of this program and the degree to which cities were involved have been matters of dispute, but attempts by urban magistrates to streamline systems of poor relief and to diminish the number or visibility of people they regarded as social undesirables have been cited as manifestations of this undertaking.

Finally, the early modern era was characterized by cultural transformations in which cities played an important part. High culture—literature, music, theatre, and the visual arts—continued to depend heavily on royal or aristocratic patronage, but

artists, composers, and writers were generally of urban origin. Throughout the early modern era cultural consumption was broadened to include many patrons among the urban bourgeoisie. Even more important, however, were the invention of printing in the fifteenth century and the explosive diffusion of printed matter from the sixteenth century onward, which in turn stimulated and reinforced the spread of literacy among ever larger circles of the European population. Almost all printed matter was produced in cities, and much of it was consumed there as well. Literacy rates varied sharply between regions and countries, but almost everywhere literacy was higher in cities than in the rural hinterland. Though firm measurements are lacking, it is apparent that by the end of the eighteenth century, at least in north-western Europe and Germany, the great majority of men and women in cities were able to read and write. Cities were thus the pacesetters for the diffusion of print culture throughout Europe as a whole. Beginning in the mid-seventeenth century, European cities also experienced a proliferation of organizations, societies and clubs devoted to the presentation of scientific findings or the discussion of political, cultural, and literary topics. All of these typically urban institutions, which ranged from scientific academies established by royal charter to informal salons run by aristocratic hostesses, eventually contributed to the ferment of new thinking associated with the Enlightenment of the eighteenth century.

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### **3.3 CHARACTERISTICS OF THE EARLY MODERN CITY**

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Nobody knows exactly how many cities existed in early modern Europe or exactly how many people lived in them. Comprehensive census data did not exist before about 1800. Furthermore, despite the generally clear distinction between cities and villages, the legal status of a number of market communities remained ambiguous. The overall picture, however, is clear. Most cities were small by modern standards. In 1500 only three or four cities in Europe had populations of more than 100,000, and by 1800 the number remained less than twenty. Jan de Vries estimated that in 1500 Europe had about 500 cities with populations over 5,000 and by 1800 Europe had roughly 900 such places. But the pace of urbanization was uneven, with more growth in the sixteenth century, a slower rate in the seventeenth century, and a sharp increase in the eighteenth century. Many cities experienced only a moderate increase in size during the early modern era, and some even lost population as their economic importance declined. Yet a few cities, especially national capitals that were also major centers of commerce, experienced spectacular growth. Naples, whose population of about 150,000 made it the largest city in Europe in 1500, almost tripled in size by 1800. Paris grew from about 100,000 to 600,000 during the same three centuries. By far the most dramatic increase, however, was experienced by London, which went from less than 50,000 in 1500 to almost 900,000 by the end of the eighteenth century.

The factors that accounted for the growth of cities have long been the subject of debate by historians. In the long run many cities must have experienced some natural

increase caused by an excess of births over deaths. But the balance was precarious, for cities were often subject to sudden increases in mortality as a result of harvest crises or epidemic diseases. Until the late seventeenth century, for example, cities all over Europe faced periodic visitations of the bubonic plague, which could wipe out a third or more of a community's population within a matter of months. A key element in the growth of cities was undoubtedly immigration from the surrounding hinterland or more distant regions. But not all immigrants contributed to the demographic growth of the city, for many of them were ill-paid labourers or servants who never accumulated enough resources to get married and establish families. Altogether, despite the exceptional growth of a few major cities, the pace of urbanization in Europe during the early modern era was modest compared to what occurred in the nineteenth and twentieth centuries.

At the beginning of the early modern era towns of every size had certain structural characteristics in common, and many of these features remained intact until the end of the eighteenth century. Inevitably some of the great metropolitan centers began to diverge from the general norms, but even in cities like London or Paris much of the institutional and physical legacy of earlier times remained firmly entrenched.

Almost every early modern city was surrounded by a wall punctuated by gates and watchtowers. If a city grew, the new districts were supposed to be enclosed by extensions of the wall. This did not always happen, for the fastest-growing cities were ringed by suburbs and faubourgs outside the walls, often populated by newcomers who were only partially integrated into the city's administrative system. In cases like these, the walls became increasingly irrelevant and were gradually broken through or allowed to decay. In other cities, especially in areas that faced sustained military activity, the walls were not just preserved but were transformed into elaborate systems of fortifications, with bastions and outer works designed to thwart all but the most determined siege.

The internal layout of almost all cities had certain elements in common. The typical city had an array of gently curving streets supplemented by a confusing network of hidden alleys, lanes, and courtyards. Every city had a number of open squares or wider streets that served as marketplaces. In ports and riverside cities the streets were generally intersected by a system of moats and canals. The largest buildings were usually ecclesiastical. At the beginning of the early modern era this category included parish churches, chapels, monasteries, and nunneries. If the city was the seat of a bishop, it also had a cathedral. In cities that went Protestant the monastic houses disappeared, but the churches remained. Major public buildings included city halls, granaries, warehouses, hospitals, and alms-houses. A few cities also had castles left over from medieval times. Larger cities often had mansions or palaces occupied by particularly prominent families. No matter what other structures a city might have, most of the building stock consisted of houses. Virtually every house served a dual function as a residence and as a workshop or place of business. The later differentiation between industrial, commercial, and residential zones was

unknown, but generally the very center of the city was considered the most desirable neighbourhood. The city's greatest merchants typically lived in houses clustered around the main marketplace or near the largest church. Poorer inhabitants were more likely to live farther from the center or even outside the walls. Sometimes a city's unique topography created its own rules. In canal-webbed Venice, for example, streets were used only by pedestrians, while vehicular traffic was exclusively waterborne. The grandest palazzi were not clustered in the city center but stretched out along both sides of the Grand Canal. But most cities conformed to a more familiar pattern of spatial organization.

This traditional pattern, however, was not attractive to Renaissance theorists of urban planning or absolutist rulers whose vision of perfect cities involved broad avenues radiating uniformly from great central plazas. Not many new cities were founded in early modern Europe, so few opportunities to apply notions of urban planning to entire communities arose. But these visions did find increasing expression in the seventeenth and eighteenth centuries, when, in contrast to the usual haphazard growth of suburbs, carefully planned neighbourhoods were laid out on the peripheries of existing towns. By the end of the eighteenth century, many of Europe's larger cities thus had a modern district with elegant new squares and broad boulevards awkwardly conjoined to a more traditional city center.

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### **3.4 SOCIAL ORGANIZATION OF CITIES**

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Despite regional variations and the inevitable differences between large and small communities, the basic social structure of most European cities followed a common pattern. Every city had a core group of established householders. In some places almost all of these householders were citizens; but even where the formal rights of citizenship were confined to a more exclusive group, noncitizen householders still had a recognized status with clearly defined rights. The adult male householder was likely to be the master of some craft and thus a full member of the relevant guild. The master carried out his trade with the assistance of his journeymen and apprentices and some help from family members and unskilled servants. In theory each master was economically independent, buying raw materials and selling finished products on the open market. In practice things were never so simple, for poor masters often found themselves doing piecework for wealthy entrepreneurs on whom they were economically dependent. Furthermore the master's wife, or sometimes even the master himself, might seek to supplement the household income by engaging in retail activity or other work outside the home. Some householders were not artisans but worked in the service sector, for example as innkeepers, teachers, or clerks. Nevertheless, the traditional image of the urban community consisting largely of households headed by artisans who plied their own trades under their own roofs never lost its validity.

Every city, large or small, also had a highly visible social elite. The wealthiest craftsmen or practitioners of the most prestigious trades might belong to the lower

fringes of this elite group. The core of the elite, however, was normally made up of merchants and some professionals, notably lawyers. The largest cities might also have an even higher stratum of patrician families, whose members were no longer active in trade but lived off their investments and strove to be regarded as members of the aristocracy. Some towns attempted to define formally who belonged to the social elite, usually by specifying which families had the right to be represented in the city's highest political bodies. Such cases were rare, however. Most cities required some flexibility in defining membership in the elite, if only to replace old families that had died out. Even those municipal elites whose members made the most stringent attempts to bar any newcomers from joining their ranks, such as the patriciates of Venice or Nürnberg, eventually found it necessary to bend the rules and admit a few particularly wealthy or well-connected families.

At the other end of the social spectrum, every city harboured a large population of individuals who were too dependent, poor, or transient to be counted among the regular householders. Many of these people lived as journeymen, apprentices, or servants in the households of their employers. Others were unskilled labourers who lived in small rented quarters and supported themselves by performing the menial tasks that abounded in a pre-mechanized society, such as carrying, digging, transporting, and animal tending. Even further down the scale was a floating population of paupers and thieves with no fixed homes or legitimate means of sustenance. Some Iberian cities also had slaves, both white and black. A special social niche was occupied by people regularly employed in occupations that placed them outside the margins of respectable society, such as executioners, carrion removers, and dung porters. The status of prostitutes declined in the early modern era. In the late Middle Ages prostitution was an acknowledged occupation, and its practitioners generally lived in carefully supervised establishments. By the end of the sixteenth century, however, almost all of those houses had closed, and prostitutes unavoidably slipped into the urban underworld.

The presence of ethnic or religious minorities complicated the social structure of some communities. Occasionally ethnicity determined a resident's legal or social status. In some cities in the Baltic region, for example, people of Slavic origin were barred from political rights and occupations that remained open to people of German descent. Religious minorities were even more common. Most of these religious subgroups arose during the Reformation, when some town dwellers insisted on adhering to a religious faith different from the one approved by the authorities. Sometimes adherents of a persecuted religion arrived as refugees in cities and were given rights of residence. In many cases members of religious minorities were allowed or even encouraged to participate in lucrative economic activities even though they were not accepted as full members of the community. Often this meant that members of a religious subgroup became quite wealthy while remaining socially and politically marginalized.

The most extreme case involved the Jews. By the early sixteenth century Jews had long since been barred from living in England and France and had more recently been banished from various places in central Europe and from the Iberian Peninsula. But Jews were allowed to live as members of self-contained, socially isolated communities in cities in Italy, Germany, and much of Eastern Europe. Some Jews became wealthy as moneylenders and merchants, and by the eighteenth century "court Jews" were deeply involved in helping European princes finance their regimes. Even so, wherever they lived the Jews remained socially segregated until the beginning of emancipation in the late eighteenth or early nineteenth century.

Early modern government officials were assiduous record keepers, and in many cities substantial data survived, making possible statistical reconstructions of urban social structure. Among the most informative sources are the records of property taxes paid by citizens or other established householders. Despite significant differences between various types of communities, wherever these data survive they demonstrate huge disparities in wealth among the householders of any given city. The great south German city of Augsburg is typical. In 1618 just under 9,000 citizen households were inscribed in the tax registers of Augsburg. Almost half of the householders were listed as "have nots," meaning not that they were entirely without resources but that their real and liquid property was not substantial enough to be taxable. Another quarter of the citizens paid an annual tax of not more than 1 *gulden*, corresponding to taxable assets worth up to 400 *gulden*. Above them were ranged an ascending scale of ever wealthier taxpayers. At the pinnacle were ten merchant princes, whose annual tax payments were over 500 *gulden*, representing fortunes of 100,000 *gulden* and up.

Disparities like this help explain why urban elites were so insistent on seeing the social structures of their communities in hierarchical terms. Some cities issued tables of ranks showing who could march where in public processions or clothing ordinances specifying what forms of adornment could be worn by which social groups. Yet no attempts to perpetuate the existing social hierarchy were ever able to resist the ceaseless pressure of social mobility. Urban patricians sometimes pretended they constituted a virtual caste, but in fact they belonged at best to an unstable status group. The upper reaches of urban society were constantly replenished by new families made rich by marriage, inheritance, or success in business. Prosperous immigrants from other communities also had to be accommodated and shown the respect that their wealth commanded. Some experienced downward mobility too, as the fortunes of wealthy families decayed or even, in some spectacular cases, rich men went bankrupt. In fact movement up and down the ladder of wealth and prestige took place throughout all ranks of urban society. Significant change often occurred within one or two generations. It was not unheard of for poor men to have rich grandchildren or, conversely, for rich men to have poor descendants.

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### 3.5 URBAN GOVERNMENT

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Urban government was always conciliar in structure. Cities often had a number of councils, but most of them were merely consultative. Real power was typically invested in a single council that combined executive, legislative, and judicial functions. Cities like Venice or Strasbourg with complex systems of interlocking councils were rare. Mayors might rotate in and out of office, but council members generally served for life. Occasionally the councilmen were elected, and sometimes a certain number of seats were reserved for particular constituencies, such as guilds or neighbourhoods. In most cases, however, when a seat on the council became vacant through death or retirement, the existing members chose the replacement themselves. Thus many city councils were in effect self-sustaining oligarchies. On the whole urban constitutions were highly conservative. Occasionally changes were introduced, most often when rulers intervened to restructure the municipal government or to install their own clients in positions of authority; but whenever possible the magistrates resisted such changes and preserved the form of government that had been established during the Middle Ages.

Research on the composition of councils in European cities has shown that, no matter how the members were chosen, the end result was almost always the same: council members tended to be drawn from among the wealthiest members of the community. This was already the case in the late Middle Ages, but the tendency was steadily reinforced during the early modern era, when city councils became increasingly exclusive in their memberships. Yet the fact that wealth rather than pedigree was the most common ingredient in appointing new councilmen insured that political power could become available to emerging members of the social elite. Some changes occurred in the occupational profile of councils. Late medieval councils were typically composed of merchants and wealthy craftsmen, but during the early modern era craftsmen gradually disappeared from councils except in the smallest cities. At the same time more seats were held by rentiers who were not active in trade. The role of the legal profession in urban government shifted. In the late Middle Ages lawyers were influential in municipal affairs as advisers to the magistrates, but in the course of the early modern era more lawyers actually came to occupy council seats. By contrast, members of the clergy did not hold municipal office, though in some Protestant cities they sat with council members on consistories that formulated and enforced policies about marriage arrangements and personal conduct.

Changes in the composition of the urban political elite were closely linked to a gradual transformation in the relationship between cities and broader political structures. In the Middle Ages urban leaders struggled to assert their autonomy from kings and princes. By the sixteenth and seventeenth centuries, however, greater financial and military resources made it easier for rulers to assert or reassert their authority over cities. A few cities, such as Venice, Geneva, and the free cities of the

Holy Roman Empire, managed to resist this trend. Other cities struggled against the rulers' power only to be forced into submission by military action. Most urban oligarchies soon perceived the advantages of cooperation with princely governments. Often the traditional municipal elite and the corps of royal officials slowly merged into a single urban oligarchy of wealthy and well-educated men whose families were intermarried with each other and increasingly isolated from the rest of the community.

Yet although civic leaders were drawn from an ever narrower fraction of the population, a number of factors prevented them from becoming entirely self-serving. City governments never commanded police power in the twentieth-century sense. They employed a few bealdes or constables, but in attempting to maintain order the council depended chiefly on the cooperation of civic militias and neighbourhood watches made up of the citizens themselves. The existence of an armed citizenry aware of its latent rights as members of the political community was a significant constraint on the exercise of arbitrary power. From time to time, when excessive taxes or unwelcome policies suggested that the magistrates had too blatantly ignored the wishes of their fellow citizens, uprisings flared. Sometimes council members were actually deposed, but more often they got a serious fright. Magistrates did not have to wait until they faced an armed crowd in the marketplace to know that they could govern effectively only by heeding the interests of the established citizen householders.

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### **3.6 GUILDS AND THE URBAN ECONOMY**

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Numerous groups in urban society voiced the concerns of adult male citizens, including militia companies and parish councils. But the most significant interest groups in European cities were generally the guilds. Although guilds sometimes had religious and social functions, their major purpose was always economic, that is, to guarantee the uniformity and quality of the goods and services their members provided and to protect their members' livelihoods by regulating the process through which apprentices became journeymen and journeymen became masters. A persistent objective of the guilds was to prevent the manufacture of goods by non-member craftsmen in the surrounding countryside or in the city itself. This occasionally brought the guilds into conflict with aristocrats who patronized rural craftsmen or with entrepreneurial merchants who employed the cheap labour of non-guild artisans. But guilds also experienced internal conflict, typically between poorer masters, who might want to limit the number of journeymen permitted to work in any one shop, and richer masters, who wanted no restrictions.

The tensions between guild artisans and merchants or among the craftsmen themselves arose largely from developments associated with the spread of capitalism. When merchant entrepreneurs gained control of the sources of raw materials or the markets for finished goods, they made it impossible for masters to function as independent economic actors and effectively reduced the masters to wage

laborers. Such trends were by no means new to the early modern era, having already become evident in some late medieval cities. But the trends accelerated in early modern times and triggered in turn more aggressive efforts by craftsmen to preserve their traditional rights.

In the struggle to protect their interests, guild members often voiced their faith in the legitimacy of economic monopolies, but this faith was by no means confined to traditional artisans. For urban capitalism in early modern Europe was also largely dependent on monopoly rights. Certainly some merchants in the sixteenth and seventeenth centuries tried to break guild monopolies by articulating the case for freedom of exchange in particular branches of production. But many of the most significant capitalist enterprises in early modern Europe, notably the overseas trading companies that pioneered in the extraction of wealth from the New World or the Indies, depended on royal charters or other privileges that granted their members the exclusive right to deal in specific goods or to trade in specific regions.

To the liberal or physiocratic thinkers of the eighteenth century, guilds, like chartered trading companies, were obstacles to economic freedom that stood in the way of economic growth. The assumption that guilds were backward-looking organizations that hindered social and economic progress persisted through the twentieth century. Many historians have recognized, however, that this is an oversimplification. Guilds never uniformly opposed technological innovation or entrepreneurial activity, though they consistently protected the ability of their members to earn a living as independent economic actors. In fact the guilds often played an effective and useful role in promoting the interests of their members and preserving the autonomy and integrity of skilled craft production throughout the early modern era.

Journeyman were integral to the guild system of production without being actual members of the guilds. A young journeyman was expected to spend some years traveling from town to town, enriching his experience and honing his skills by working on a contract basis for a succession of masters. Eventually the journeyman would hope to settle down in one city, often his town of origin. In theory journeymen were thought of as masters in the making who could ascend to full mastership once they met such customary requirements as the payment of a fee, presentation of an acceptable masterpiece, and engagement to a suitable bride. But often masters attempted to limit their own ranks by imposing stiffer fees or tightening the standards for admission. Journeymen had organizations of their own—*compagnonnages* in France and *Gesellenvereinigungen* in central Europe—whose importance increased as more of their members faced the prospect of never ascending to mastership. These organizations not only helped the journeymen to locate work and lodgings when they arrived in a new town but also provided the fellowship and solidarity that emboldened journeymen to protest or strike against inadequate wages or unfair conditions. Guilds are occasionally but inaccurately described as an early form of trade unions. In fact it was the journeymen's

associations rather than guilds that served as prototypes for the labour unions that emerged in the nineteenth century.

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### 3.7 RELIGIOUS AND SOCIAL ISSUES

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Though urban magistrates were repeatedly called upon to adjudicate the disputes that arose among various groups with conflicting economic interests, the challenge of settling even the most bitter economic disagreements often paled before some of the other problems confronting urban rulers. Beginning in the sixteenth century, many of these problems had to do with religion. Religious tensions had not been unknown in medieval cities, especially when the authorities faced destabilizing outbursts of religious enthusiasm fuelled by charismatic preachers. But an entirely new situation was introduced by the Protestant Reformation, which began when Martin Luther issued his Ninety-five Theses in 1517. The Protestant cause, which challenged some of the most fundamental beliefs and practices of the traditional church, found early support in the cities of central Europe, where widespread anticlerical sentiments merged with the humanist values of some educated citizens. The changes the early reformers demanded—a transformed structure of worship, a married clergy, an end to monasteries and nunneries, and a rejection of the traditional veneration of saints—required not just a new religious outlook but also a different relationship between the institutions of secular and religious authority. Some municipal leaders bowed to popular pressure and openly embraced these changes, while others adamantly opposed them. But many urban authorities took a more cautious line and ended up simply implementing the religious policies and preferences formulated by their princes.

By the middle of the sixteenth century, Protestant ideas in various forms had spread from Germany and Switzerland to much of the rest of Europe. In some areas, especially in northern Europe, Protestantism was imposed by royal or princely fiat. Authorities in Italy and the Iberian Peninsula prevented it from ever taking root. Communities in some countries, notably France and the Netherlands, were split by religious differences that led to bitter tensions and occasional riots. Historians have struggled to find a social basis for the religious allegiances of Protestants and Catholics in sixteenth-century cities, usually with little success except to note that urban men and women with some degree of education were more likely to be attracted to the new faith than those with no education. Municipal leaders, themselves often divided along religious lines, struggled to retain their authority while balancing the conflicting demands of their fellow citizens or of rulers and other powerful outsiders. Mostly the magistrates succeeded in retaining power, though sometimes new elites representing a different religious outlook took their place.

By the seventeenth century the confessional complexion of European cities was generally stabilized. There were numerous exceptions—notably England, where religious and political struggles within the Protestant camp in the mid-seventeenth

century divided many cities into Puritan and Anglican factions. But sooner or later in most cities one confession came to predominate, and through a process of steady "confessionalization," the differences between Protestant and Catholic cities became fixed and permanent. Protestant communities, for example, had a small core of highly educated pastors primarily concerned with preaching and religious leadership. Catholic cities, by contrast, continued to have large ecclesiastical establishments with substantial numbers of priests and members of religious orders who provided spiritual, educational, and charitable services. Religious practices not just in churches but also in schools and households assumed distinctly Protestant or Catholic forms.

Although only a handful of cities, mostly in Germany, formally granted equal status to members of more than one Christian confession, the tumults of the sixteenth century left a residue of religious minorities in many communities. Often the members of a minority developed far-flung business contacts within their own subgroup or became noted practitioners of a particular craft. Some urban leaders, especially in dynamic port cities that tended to attract religious refugees, tried to take advantage of the economic services such groups provided while still upholding the concept of religious uniformity. In the great north German entrepôt of Hamburg, for example, the Lutheran clergy struggled throughout the early modern era to keep the city solidly Lutheran, while the more pragmatic, business-minded leaders of the municipal government repeatedly extended residential rights and even some religious freedoms to Calvinist, Catholic, Mennonite, and Jewish sub-communities. Although the number of religious subgroups in Hamburg was particularly large, the presence of such groups and the issues they raised for the urban authorities were far from unique.

The capacity of some urban leaders to put economic interests ahead of religious purity was linked, at least in some cases, to their mounting concern with an issue that confronted the authorities in every European city, namely the problem of poverty. Of course there had been poverty in the medieval city, but it was generally viewed in religious rather than social terms. Guided by the biblical maxim "the poor are always with us," lay and religious leaders of the Middle Ages stressed the obligation to help the poor but never felt challenged to eliminate poverty as such. Good Christians were encouraged to perform acts of charity more for the sake of their own souls than for the benefit of those whom they helped. The sixteenth century, however, witnessed a markedly heightened concern with poverty as a social issue, particularly in cities. A widespread notion emerged that the number of poor people in cities was increasing. In fact the demographic upsurge of the sixteenth century seems to have caused more men and women who could not sustain themselves in their own villages to head for urban centers. There was also a shift in attitudes. Beginning in the early sixteenth century, one city after another adopted ordinances to outlaw begging in the streets and replace it with centralized mechanisms to collect and distribute charity. In theory only the "deserving" poor, local inhabitants who had fallen on hard times, were to be

aided, while "sturdy beggars" from outside were to be excluded. These ordinances owed something to the new Protestant doctrines that rejected good works as irrelevant to salvation; but the new approach to urban poverty was adopted, with some modifications, in Catholic cities as well. The real mainspring was the growing conviction among Protestants and Catholics alike that idleness in general and begging in particular were contrary to divine command and to earthly productivity. Those who could no longer work should be given assistance, but everyone who could work should be required to do so.

By the seventeenth century institutions such as orphanages, workhouses, and hospitals, in which people who did not belong to households would be provided for and the able-bodied among them would be put to productive labour, proliferated. To some historians this development amounted to a "great confinement" of the urban poor as part of a grand program to subject them to social discipline. In fact these institutions housed only a small fraction of those in need, and many of the inmates, resentful of having to work long hours for negligible pay, chose the first opportunity to escape. For most of the poor the first line of assistance in times of trouble was the informal system of self-help provided by family and friends supplemented, especially in Catholic cities, by church-based philanthropy. Only when these means were inadequate would they turn to municipal charity or, despite all prohibitions, resort to open begging. Unified schemes to deal with urban poverty on a citywide basis almost always failed because their proponents repeatedly confronted an unbridgeable gap between the extent of the need and the amount of available resources. Despite their unremitting attempts to deal with the problem, urban leaders always found it impossible to eliminate poverty or even sweep it off the streets. The poor were indeed always with them.

### **Check Your Progress**

1) Discuss different approaches to the growth of urbanism in early modern Europe.

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2) Write a note on Characteristics of the Early Modern City.

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3) Explain the Social Organization of Cities in early modern Europe.

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4) Analyse in brief the position of Guilds in early modern Europe.

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### **3.8 LET US SUM UP**

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By the end of the early modern era, significant changes had taken place in European urban life, yet the elements of continuity were still preponderant. Though a few cities were approaching a size unknown in Europe since Roman times, the spatial organization and even the physical appearance of most cities were little changed from what had prevailed in the Middle Ages. The urban skyline was still dominated by steeples. Most cities were still walled, though progressive-minded thinkers increasingly urged that the walls be razed so as to integrate suburbs more effectively into the urban core.

The basic structure of economic life also showed significant continuities. Early modern Europeans were enthusiasts for technological innovation, and the early modern era saw the introduction of numerous improvements and refinements in the way goods were manufactured or transported. Yet the basic processes of production and distribution in the key sectors of the economy, including food, textiles, and metal-working, changed little. Except in England, where they steadily lost importance during the eighteenth century, guilds remained influential in the organization of economic life. Capitalist entrepreneurs who engaged in long-distance or overseas trade or who found ways to circumvent guild restrictions by organizing large-scale production continued to make huge fortunes. Rural manufacture of goods by peasants outside the guild system expanded significantly during the early modern era, but the capital that made this production possible normally came from wealthy men in the cities. Urban craftsmen continued to dominate the production of more complex, delicate, or refined goods.

The social organization of cities also remained fundamentally constant. Urban society was still strongly patriarchal. Men exercised authority in the community, shop, and family, though women had some influence over the property they inherited and some opportunities to earn an independent living. Power in cities belonged to a small oligarchy of wealthy men who dominated municipal councils, but places were

always available for "new men" whose families had recently become rich. The old antagonisms between cities and princely regimes were largely forgotten as members of the urban elite worked with officials of the regime and the regional aristocracy and their families socialized or even intermarried. The broad mass of ordinary house holding citizens, though generally excluded from real political decision making, exercised some influence through their seats on lesser councils, their participation in guild affairs, or their membership on parish or neighbourhood committees.

Urban society in the early modern era was never static. The city offered endless opportunities for ambitious men and, in a more limited way, ambitious women to move up the social ladder by increasing their wealth or by finding useful patrons or spouses. The city offered pitfalls as well, for misfortune or miscalculation could cause rapid downward movement. The overall contours of urban society were modified as new forms of capitalistic enterprise and changing visions of culture and comfort created new occupations and opportunities. Religion, which had generated intense hopes and fearful conflicts in cities of the sixteenth and seventeenth centuries, began to play a slightly less dynamic role as it competed for allegiance with the rationalist culture of the eighteenth century. Yet none of the changes in urban life during the early modern period could rival the transformations that lay ahead in the nineteenth and twentieth centuries. The emergence of modern industrial society would transform urban life in ways that could never have been envisioned or imagined during the three centuries of the early modern era.

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### 3.9 KEY WORDS

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**Faubourg** : a suburb, especially one in Paris.

**Marxist** : a supporter of the political and economic theories of Karl Marx and Friedrich Engels.

**Physiocratic** : an economic theory developed by a group of 18th-century Age of Enlightenment French economists who believed that the wealth of nations derived solely from the value of "land agriculture" or "land development" and that agricultural products

**Patriciates** : the position or rank of patrician in ancient Rome

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### 3.10 ANSWER TO CHECK YOUR PROGRESS EXERCISES

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#### Check Your Progress

- 1) See Section 3.2
- 2) See Section 3.3
- 3) See Section 3.4
- 4) See Section 3.6

## **SUGGESTED READINGS**

Clark, Peter, and Paul Slack 1976. *English Towns in Transition 1500–1700*. London.

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