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Economics 301Y1

The Economic History of Late-Medieval and Early-Modern Europe

(European Economic History, 1250 - 1750)

OUTLINE OF LECTURE TOPICS, 2009 - 2010

This economic history course is an historical study of European economic development from the height of the Medieval 'Commercial Revolution', in the late thirteenth century, and on the eve of the terrible economic and demographic crises of the fourteenth century, to the eve of the modern Industrial Revolution in the mid-eighteenth century. To demonstrate that the processes of historical economic growth are not linear, we thus begin with a period of long-term or secular economic expansion that was not destined to continue with 'economic progress'; that will be followed by the aforementioned crises and the so-called 'Great Depression' of the Late Middle Ages (or Renaissance), a period of dramatic economic contraction (1320-1470); that was followed by a painful economic and demographic recovery (1470-1520), and then by another expansionary era known as the era of the Sixteenth Century 'Price Revolution' (1520-1640), which in turn was followed by another period of economic stagnation and, in some regions, of contraction, known as the 'General Crisis of the Seventeenth Century' (c.1640 - 1750), which continued up to and helped set the stage for the modern Industrial Revolution era (c.1750 - 1820). We shall also see that all these alternating patterns of economic expansion and stagnation/contraction were accompanied by a corresponding demographic expansion and then stagnation/contraction, until the modern Industrial Revolution era, which was accompanied by a veritable Demographic Revolution. Furthermore, we shall note that generally speaking, if not universally in western Europe, living standards tended to rise when population fell, and fell when population continued to grow, until the Industrial Revolution era, when this so-called 'Malthusian' pattern was finally broken.

The lectures for the two terms cover the following periods, approximately: (1) Sept - Dec., 2007 : ca. 1250 - 1520; and (2) Jan - Apr. 2008: ca. 1520 - ca. 1750. The course itself begins with an overview of the general course of economic changes during the so-called Commercial Revolution era (ca. 1000 - ca. 1320) and the so-called 'Great Depression' of the Late-Middle Ages (ca. 1320 - ca. 1450). Then, for the entire span of these two eras, we shall consider the major macro-economic structural changes in the West European economy, in terms: demography (population growth and decline); money and monetary forces; and prices: long-term 'secular' changes in the price level, in terms of inflations and deflations. Then we shall examine the basic economic structures of later-medieval agrarian society, in terms of the three inter-related governing socio-economic institutions: feudalism, manorialism, and serfdom. We shall examine in particular their economic, social, cultural, and institutional impediments to the development and diffusion of an organized market economy, principally in western Europe.

Since these institutional barriers largely pertained to agrarian society, we can then proceed to an analysis of the major changes in the four major sectors of the European economy: commencing, therefore, with agriculture (by far the largest sector), and then going on to industry, since so much industrial activity was a subset of or related to agriculture; then we shall examine changes in the two remaining, and closely related other sectors: commerce (principally long distance trade) and finance; and in that final sector, we shall examine the role of the Church and of social philosophies, in so far as they affected finance and commerce. In part because we are seeking the origins of modern European industrialization, and basic roots of that growth in the other major sectors, an analysis of industrialization in each region or country will normally follow analyses of changes in the other economic sectors. Please note that before the modern Industrial Revolution the so-called industrial sector was by far the smallest and weakest, and was, in many

respects, as already note above, a subset of the largest sector, agriculture.

In the second term, we shall follow basically the same order of themes and sectors, again commencing with macro-economic changes, in terms of demography, money, and prices. This time the order of our examination of the major sectors of the economy will be in this order: agriculture, commerce, finance and banking, manufacturing industries. The last topic will focus chiefly on the two, twin spearheads of modern industrialization: metallurgy (coal and iron) and textiles (woollens, worsteds, and cottons). We shall thus end the course with an examination of the actual foundations of the modern Industrial Revolution, in 18th-century Great Britain.

Our study of European economic development will also consider the broader roles of other factors, economic and non-economic: in particular, the macro-economic forces of demographic and monetary/price changes; of institutional, social, political, and cultural factors; and most especially the role of the state.

The following is an outline for the course as a whole. In the 52 lecture hours allotted, it is not possible to cover all of the topics listed here, even if such a total lecture coverage were desirable. Some topics are much better handled by essays and independent readings.

FIRST TERM: September to December 2009

I. Introduction: a General Survey of Economic Growth and Decline during the Commercial Revolution era (ca. 1100 - c. 1320) and the Late-Medieval ‘Great Depression’: on-line lecture only.

II. Macro- and Structural Changes in the European Economy, 1250 - 1520

- A. Population and Demographic Changes before, during, and after the Black Death
- B. Money, Credit, and the Money Supplies: Monetary Changes, 1250 - 1520
- C. The Course of Prices, 1250 - 1520
- D. Slump and Recovery in the 14th & 15th Centuries: the Late-Medieval ‘Great Depression’ Debate

III. The Barriers to Economic Growth: the Structure of Feudal Agrarian Society

- A. West European Feudalism: As a Military, Political, and Economic Institution
- B. West European Manorialism and Peasant Serfdom: the agricultural foundations of medieval Feudalism
- C. Agricultural Field Systems North and South:
 - 1. Mediterranean ‘Dry Farming’ and the Two-Field System
 - 2. The Northern Three-Field and ‘Open’ or ‘Common’ Field Systems
- D. Serfdom and Manorial Peasant Societies: the limitations to personal and economic freedom: contrast between West and East
- E. Feudalism, Manorialism, Open Fields, and Serfdom as Barriers to Growth

IV. Agriculture: Changes in Agrarian Society, c.1250 - 1520

- A. The Decline of Serfdom in Western Europe and its Rise in Eastern Europe
 - 1. Economic, Political, and Military Factors in the Decline of Western Feudalism
 - 2. Demography and Agrarian Depression in the Decline of Western Manorialism and Serfdom in the later 14th and 15th centuries
 - 3. Factors in the Contemporary and Early-Modern Rise of Serfdom in Eastern Europe:

Prussia, Poland, Lithuania, and Russia

4. Various and Conflicting Economic Models to Explain these Contrasting Phenomena involving European Serfdom.
- B. Mediterranean Europe: Responses to Agrarian Crises and Adversity in Italy, Southern France, Spain; and their changing agricultural systems.
- C. The Low Countries and Northern France: Agrarian Innovations as Responses to Adversities and Relative-Price Changes, 14th and 15th Centuries
- D. England: Sheep-Farming and Enclosures as Responses to Agrarian Crises and Adversities.

V. Manufacturing Industries: Industrial Changes in Late-Medieval Europe, 1250 - 1520

- A. Textiles: Woollens, Worsteds, Linens, Silks
 1. Italy
 2. The Low Countries
 3. England
- B. Mining, Metallurgy, and Armaments: South Germany
- C. Shipbuilding: Italy and Holland
- D. Other Industries

VI. Commerce: Changing Patterns of Regional and International Trade in Late-Medieval Europe, 1250 - 1520

- A. The Role of Commerce and International Trade in European Economic Development
- B. Warfare and Plague: Rising Transaction Costs in International Trade, c. 1280 - c. 1400
- C. The Decline of the Champagne Fairs: the Relative Shift from Transcontinental to Maritime Commerce
- D. Italy and the Mediterranean World: the Growing Supremacy of Venice, 1300 - 1500
- E. Northern Commerce: the Baltic, the German Hanse, and the Rise of the Dutch The Baltic and Northern Commerce: the Rise of the German Hanseatic League, to 1400
- H. England: International Victory in the Cloth Trade
- I. Italy, South Germany, and Recovery in Trans-Continental Trade Routes (1420 - 1520)
- J. The Rise of Antwerp as an International Entrepot, 1420 to 1520: South German Metals, English Cloth, and Asian Spices
- K. Portugal and the Beginnings of Overseas Explorations and Colonization: Africa, Asia, and the Americas (1440 - 1520)
- L. Spain and the Americas, to the 1520s

VII. Banking and Finance in Late-Medieval Europe, 1250 - 1520

- A. The Medieval Church, Loans, and the Usury Question
- B. Credit in the Late-Medieval Economy: the Loan Contracts
- C. Investment Contracts in the Medieval Economy: non-loan contracts
- D. The Italians and the Origins of Modern Banking
 1. Deposit Banking
 2. The Bill of Exchange
 3. International Trade and Finance
- E. The Low Countries and England: the Origins of Negotiable Credit Instruments
- F. Innovations in Public Credit: Municipal and National Annuities; and Negotiable Bonds

SECOND TERM: January to March 2010**VIII. Macro- and Structural Changes in the European Economy, 1520 - 1750**

- A. Population: Demographic Expansion during the 'Price Revolution' Era, 1520 - 1640
- B. Population: Demographic Slumps and Stagnation during the '17th Century General Crisis', 1640 - 1750
- C. Money and Credit during the 'Price Revolution' Era, 1520 - 1640: German Silver, Spanish American Silver, and Public Credit
- D. Money and Credit during the 17th Century 'General Crisis', 1640 - 1750
- E. Inflation: The Course of Prices during the 'Price Revolution' Era, 1520 - 1640
- F. The 'Price Revolution' and Its Consequences: the Current Debate
- G. Deflation/Stagnation: The Course of Prices during the '17th-Century General Crisis', c. 1640 - 1750
- H. The '17th-Century General Crisis' and the Hobsbawm Thesis: the Debate About the Transition from 'Feudalism to Capitalism' and the Origins of Modern Industrialism
 - 1. 'Internal Contradictions' in Home (West European) Markets
 - 2. 'Internal Contradictions' in East-European Markets
 - 3. 'Internal Contradictions' in Overseas Markets: From 'Old Colonialism' to 'New Colonialism'

IX. Agriculture and Changes in Agrarian Society, 1520 - 1750

- A. The Low Countries: Agricultural Innovations and Precocity in Flemish and Dutch Agriculture
- B. England: the Tudor-Stuart Enclosure Movements, 1520 - 1640
- C. England: the Diffusion of Agricultural Innovations, 1520 - 1640
- D. England: Agrarian Crisis and Innovations, 1640 - 1740
- E. France: Agrarian Changes, 1485 - 1789
- F. Italy, Spain, and Portugal: Agrarian Changes (Optional Topic)
- G. Germany, Poland, Hungary, and Russia: the Rise of the 'Second Serfdom', 1520 - 1750 [Optional Topic: see first term topics]

X. Commerce: Changing Patterns of Regional and International Trade in Early-Modern Europe, 1520 - 1750: the Age of Overseas Expansion and Colonization

- A. The Dutch Commercial Empire: Apogee, and Hegemony, and Decline, 1520 - 1760
 - 1. The Baltic Heartland
 - 2. The Revolt of the Low Countries Against Spain: 1568 - 1609
 - 3. The Republic of the United Provinces: Consequences of Dutch Independence
 - 4. Overseas Imperialism and Expansion: Asia and the Spice Trades
 - 5. Overseas Expansion: the Caribbean
 - 6. Overseas Expansion: North America
 - 7. Aspects of the Decline of the Dutch Commercial Empire, 1720 - 1780
- B. Dutch Shipping and Shipbuilding: the Sources and Consequences of Commercial Supremacy
- C. English Foreign Commerce: the Cloth Trade, the Breakaway from the Antwerp Market, and the New Overseas Trading Companies, 1520 - 1600
- D. The English Overseas Commercial Empire: the 17th Century
 - 1. The East India Company and the Asian Trades
 - 2. The Caribbean

3. North America

- E. English Commerce and the ‘General Crisis’ of the 17th-Century, 1620 - 1750: Crisis, Depression, and the Colonial Re-Export Trades (‘The New Colonialism’)
- F. The Mediterranean World: Italy, Turkey, England, and France
- G. Mercantilism and the State in Foreign Trade: England and France

XI. Banking, Finance, and Business Organization in Early-Modern Europe, 1520 - 1750

- A. European Public Finance, Financial Innovations, and the Antwerp Market, 1520 - 1560
- B. The Dutch Republic: Money, Banking, and Finance in the 17th Century
- C. The Dutch Republic: the Wisselbank van Amsterdam
- D. The Dutch Republic: Acceptance Banking and Commercial Decline in the 18th Century
- E. England: Business Organization and Joint Stock Companies to the South Sea Bubble Era, 1550 - 1720
- F. England: Private Commercial Banking in the 16th and Early 17th Centuries
- G. England: The Goldsmith Banks and the Origins of Modern Banking, 1640 - 1700
- H. England: the Bank of England as a Private and Public Banker, 1694 - 1750
- I. England: the Bank of England and the National Debt, 1694 - 1752
- J. England: Private Commercial Banking in the 18th Century: the Country Banks
- K. Scotland: the Development of a Superior Banking System
- L. Great Britain: Financing Warfare in the 18th Century
- M. France: Banking and the Financial Crisis of the 18th Century, 1720-1789

XII. Manufacturing Industries: Industrial Changes in Early-Modern Europe, 1520 - 1750

- A. The Textile Industries in the Low Countries and England: The Crisis of the ‘Old Draperies’ and the Rise of ‘New Draperies’
- B. Textiles and ‘Proto-Industrialization’: Rural Textile Crafts, the Mendels Thesis, and the ‘Transition to Modern Industrialism’
- C. The Mining Industries: Germany and England
- D. Coal and the New Coal-Burning Industries in England: the ‘Energy Crisis’ and the Origins of English Supremacy: the Nef Thesis
- E. Metallurgy: the German Blast Furnace and the Origins of Industrial Capitalism in Iron Making, 1480 - 1540
- F. Metallurgy: Expansion and Stagnation in the English Iron Industry, 1520 - 1750
- G. British and Continental European Industries on the Eve of the Modern ‘Industrial Revolution’

[Note: the Shipbuilding Industries are considered above, as a necessary subset of Commerce and the Dutch Hegemony in Early-Modern International Trade]