ECO 301Y: The Economic History of Modern Europe to 1914

Topic No. 25:

The Economic Decline of the Netherlands in the Eighteenth Century:
Cause or Consequence of the British Industrial Revolution?

OR: Why Did the Dutch Fail to Industrialize?

READINGS: all readings listed in chronological order of original publication. The more important are indicated by asterisks *

A. The ‘Decline of the Netherlands’ and ‘the Failure to Industrialize’: the Debate in Monographs and Journal Articles

   ** (b) Charles Wilson, Economic History and the Historian: Collected Essays (London, 1969), pp. 22-47. [N.B. This is a revised version, and the one that should be read].

** 2. Johann de Vries, De economische achteruitgang der Republiek in de achttiende eeuw (Amsterdam, 1959). [The economic decline of the Republic in the eighteenth century: the most thorough study -- for those who read Dutch.]


** 6. Charles Wilson, ‘Taxation and the Decline of Empires: An Unfashionable Theme', in


   (a) David Ormrod, ‘Dutch Commercial and Industrial Decline and British Growth in the Late Seventeenth and Early Eighteenth Centuries’, pp. 36-43.
   (c) E.H. Kossmann, ‘Some Meditations on Dutch Eighteenth-Century Decline’, pp. 49-54.


23. Jan de Vries and Ad Van der Woude, Nederland 1500 - 1815: De eerste ronde van moderne economische groei (Amsterdam: Balans, 1995); republished in English translation as The First Modern Economy: Growth, Decline, and Perserverance of the Dutch Economy, 1500 - 1815 (Cambridge and New York: Cambridge University Press, 1997).


B. The Dutch Economy in the 17th and 18th Centuries: the Era of the ‘Golden Age’ and of ‘Economic Decline’


   (a) David Ormrod, ‘Dutch Commercial and Industrial Decline and British Growth in the Late Seventeenth and Early Eighteenth Centuries’, pp. 36-43.
   (c) E.H. Kossmann, ‘Some Meditations on Dutch Eighteenth-Century Decline’, pp. 49-54.


42. Charles Wilson and Geoffrey Parker, Introduction to the Sources of European Economic


54. Maria Bogucka, ‘The Role of Baltic Trade in European Development from the XVIth to the


* 60. Maurice Aymard, ed., Dutch Capitalism and World Capitalism (Cambridge University Press, 1982). A collection of essays by various scholars:


(h) Ivo Schöffer and F.S. Gaastra, ‘The Import of Bullion and Coin into Asia by the Dutch East India Company in the Seventeenth and Eighteenth Centuries’, pp. 215-34.


63. Johanna Maria Van Winter, ed., The Interactions of Amsterdam and Antwerp with the Baltic Region, 1400 - 1800 (De Nederlanden en het Oostzeegebied, 1400 - 1800), Het Nederlandsch Economisch-Historisch Archief no. 16 (Leiden: Martinus Nijhoff, 1983). See especially the following essays:


   b) Michel Morineau, ‘Le commerce de la Baltique dans ses rapports avec le commerce hors de la Baltique’, pp. 31 - 42.


   g) H. C. Johansen, ‘Ships and Cargoes in the Traffic Between the Baltic and Amsterdam in the Late Eighteenth Century’, pp. 161 - 70.


64. Ivo Schöffer, Herman Van der Wee, J.A. Bornewasser, De lage landen van 1500 to 1780 (Amsterdam-Brussels: Elsevier, 1983).

65. James C. Riley, ‘The Dutch Economy After 1650: Decline or Growth?’ The Journal of...


78. Herman Van der Wee, ed., The Rise and Decline of Urban Industries in Italy and in the Low Countries: Late Middle Ages - Early Modern Times (Leuven: Leuven University Press, 1988). For the Low Countries, see Part II:

(a) Jean-Paul Peeters, ‘De-Industrialization in the Small and Medium-Sized Towns in Brabant at the End of the Middle Ages. A Case-Study: the Cloth Industry of Tienen’, pp. 165 - 86.


(c) A.K.L. Thijs, ‘Structural Changes in the Antwerp Industry from the Fifteenth to the Eighteenth Century’, pp. 207 - 212.


(g) H. Schmal, ‘Patterns of De-Urbanization in the Netherlands between 1650 and 1850’, pp. 287 - 306.


volume, there are no specific essays on the Dutch; but many of the essays will provide useful general information and ideas for analyzing the Dutch commercial empire in early-modern Europe.


   d) (with Eddy Van Cauwenbergh) ‘Agrarian History and Public Finances in Flanders, 14th to 17th Century’, pp. 69-83. [From Annales: Économies, sociétés, civilisations, 28 (1973), 1051-64.]


## SOME STATISTICS ON THE ‘DECLINE OF THE NETHERLANDS’

### A. Anglo-Dutch Trade in 1697 and 1773: Values in millions of pounds sterling (£)

<table>
<thead>
<tr>
<th>Year</th>
<th>ENGLISH IMPORTS</th>
<th></th>
<th>ENGLISH EXPORTS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Imports from Holland</td>
<td>Percentage of Total Imports</td>
<td>Total Imports in £</td>
<td>Exports to Holland</td>
</tr>
<tr>
<td>1697</td>
<td>£0.507</td>
<td>14.6%</td>
<td>£3.483</td>
<td>£1.462</td>
</tr>
<tr>
<td>1773</td>
<td>£0.412</td>
<td>3.6%</td>
<td>£11.407</td>
<td>£1.874</td>
</tr>
</tbody>
</table>


<table>
<thead>
<tr>
<th>Country</th>
<th>Population in Millions</th>
<th>Per Capita Income in £ sterling</th>
<th>Public Revenues in £ sterling</th>
<th>Per Capita Taxes in £ sterling</th>
<th>Per Capita Consumption in £ sterling</th>
</tr>
</thead>
<tbody>
<tr>
<td>HOLLAND</td>
<td>2.240</td>
<td>£8.10</td>
<td>£6.900</td>
<td>£3.08</td>
<td>£4.69</td>
</tr>
<tr>
<td>ENGLAND</td>
<td>5.450</td>
<td>£7.80</td>
<td>£6.500</td>
<td>£1.20</td>
<td>£7.15</td>
</tr>
<tr>
<td>FRANCE</td>
<td>13.500</td>
<td>£5.90</td>
<td>£17.500</td>
<td>£1.25</td>
<td>£4.91</td>
</tr>
</tbody>
</table>


Note that the sum of per capita consumption and per capita taxes exceeds per capita income.
QUESTIONS for Reading and Discussion

1. What constituted the essential elements of Dutch economic hegemony in Europe, in shipping, commerce, and banking in particular, in the 17th and early 18th centuries? (Not for discussion: review from lecture and reading notes.)

2. In what respects did the basic elements of Dutch economic hegemony contain the seeds of the subsequent Dutch economic decline? In what respects did the Dutch economic assets and advantages of the 17th century become liabilities in the 18th century?

3. What were the most important features of Dutch economic decline in the 18th century? Explain the origins of and the consequences of each of the main elements of the Dutch economic decline, in terms of the following types of ‘causes’: commercial, industrial, financial, military, political, social.

4. To what extent were the chief causes of the Dutch economic decline endogenous to the Dutch economy (internal, as part of the Dutch economic structure), and to what extent were they exogenous (external to the Dutch economy)?

5. The Dutch economic decline in the 18th century: absolute or relative?

6. What role did warfare, the costs of national defence, and taxation play in the Dutch economic decline, according to Charles Wilson’s thesis (in reading no. 13)? Why did the Dutch find it more difficult and more costly to defend themselves than the English did?

7. What role did the supposed high cost of labour play in the Dutch economic decline? If real wages were in fact higher in Holland than elsewhere, why were they higher? If they were in fact higher, what were the real economic consequences?

8. It is sometimes argued that the Dutch invested too much abroad and not enough at home. Is this a valid argument (if it is indeed possible to provide any statistical evidence)?

9. Why did the Dutch economy shift more towards finance and banking in the 18th century; and what were the consequences of that shift? What were the causes and consequences of the Dutch financial crises of the 18th century?

10. Why, how, and in what respects did England overtake the Dutch economically in the 18th century?

11. Why did the Dutch fail to industrialize, or to establish a modernized industrial base, before the Napoleonic wars?

12. Could the Dutch have avoided their economic decline, even without industrializing along the lines of the British model?