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ECO 301Y1: The Economic History of Modern Europe to 1914

Topic No. 25: **The Economic Decline of the Netherlands in the 18th Century:
Cause or Consequence of the British Industrial Revolution?**

OR: Why Did the Dutch Fail to Industrialize?

Recommended readings: the more important ones are indicated by asterisks *

- * 1. Charles Wilson, 'The Economic Decline of the Netherlands', Economic History Review, 1st ser., 9:2 (May 1939), 111-27; and 'Taxation and the Decline of Empires: An Unfashionable Theme', unpublished lecture; both reprinted (as revised versions) in: Charles Wilson, Economic History and the Historian: Collected Essays (London, 1969), pp. 22-47.
- * 2. James C. Riley, 'The Dutch Economy After 1650: Decline or Growth?', The Journal of European Economic History, 13:3 (Winter 1984), 521-69
- * 3. Jan de Vries, 'The Decline and Rise of the Dutch Economy, 1675 - 1900', in Gary Saxonhouse and Gavin Wright, eds., Technique, Spirit, and Form in the Making of the Modern Economies: Essays in Honor of William N. Parker: special issue of Research in Economic History, supplement no. 3 (Greenwich, Conn., and London, 1984), pp. 149 - 89.
- * 4. Jan de Vries and Ad Van der Woude, The First Modern Economy: Growth, Decline, and Perseverance of the Dutch Economy, 1500 - 1815 (Cambridge and New York, 1997), pp. 490-504; 673-722 (esp. pp. 681-86). See also the following review article concerning the original Dutch version: Nederland 1500 - 1815: De eerste ronde van moderne economische groei (Amsterdam: Balans, 1995), by Arthur Van Riel, 'Rethinking the Economic History of the Dutch Republic: The Rise and Decline of Economic Modernity Before the Advent of Industrialized Growth', Journal of Economic History, 56:1 (March 1996), 223-29.
- * 5. F. Krantz and P. M. Hohenberg, eds., Failed Transitions to Modern Industrial Society: Renaissance Italy and Seventeenth-Century Holland (Montreal, 1975). The following essays:
 - a) David Ormrod, 'Dutch Commercial and Industrial Decline and British Growth in the Late Seventeenth and Early Eighteenth Centuries', pp. 36-43.
 - b) K.W. Swart, 'Holland's Bourgeoisie and the Retarded Industrialization of the Netherlands,' pp. 44-48
 - c) E.H. Kossman, 'Some Meditations on Dutch Eighteenth-Century Decline', pp. 49-54.With commentaries by Jan de Vries, K.D.H. Haley, J.W. Smit, and others (pp. 55-66).
- 6. C.R. Boxer, 'The Dutch Economic Decline', in Carlo Cipolla, ed., The Economic Decline of Empires (London, 1970), pp. 253-63.
- * 7. David Ormrod, The Rise of Commercial Empires: England and the Netherlands in the Age of

- Mercantilism, 1650 - 1770, Cambridge Studies in Modern Economic History (Cambridge, 2003).
8. K.H.D. Haley, The Dutch in the Seventeenth Century (London, 1972), chapter 3, 'The Beginnings of the Decline?', pp. 175-93.
 9. Jonathan I. Israel, Dutch Primacy in World Trade, 1585 - 1740 (Oxford: Clarendon Press, 1989).
 10. H. Diedriks, 'Economic Decline and the Urban Elite in Eighteenth-Century Dutch Towns: A Review Essay', Urban History Yearbook (1989), pp. 78-81.
 11. Wantje Fritschy, 'Taxation in Britain, France, and the Netherlands in the Eighteenth Century', Economic and Social History in the Netherlands, 2 (1990). See also: Wantje Fritschy, 'A "Financial Revolution" Revisited: Public Finance in Holland During the Dutch Revolt, 1568 - 1648', The Economic History Review, 2nd ser., 56:1 (February 2003), 57-89.
 12. Simon Schama, 'The Exigencies of War and the Politics of Taxation in the Netherlands, 1795-1810', in J.M. Winter, ed., War and Economic Development: Essays in Memory of David Joslin (London, 1975), pp. 103-38.
 13. Karel Davids and Jan Lucassen, eds., A Miracle Mirrored: The Dutch Republic in European Perspective (Cambridge and New York: Cambridge University Press, 1996).
 14. Mehmet Bulut, 'Rethinking the Dutch Economy and Trade in the Early Modern Period, 1570 - 1680', The Journal of European Economic History, 32:2 (Fall 2003), 391-424.
 15. R.C. Nash, 'The Balance of Payments and Foreign Capital Flows in Eighteenth-Century England: A Comment', The Economic History Review, 2nd ser., 50:1 (February 1997), 110-28.
 16. Elise S. Brezis, 'Did Foreign Capital Flows Finance the Industrial Revolution? A Reply', The Economic History Review, 2nd ser., 50:1 (February 1997), 129-32.
 17. Joost Jonker, Merchants, Bankers, Middlemen: The Amsterdam Money Market During the First Half of the 19th Century (Amsterdam: NEHA, 1996).
 18. Marjolein 't Hart, Joost Jonker, and Jan Luiten van Zanden, A Financial History of the Netherlands (Cambridge, 1997).
 19. Johannes Postma and Victor Enthoven, eds., Riches from Atlantic Commerce: Dutch Transatlantic Trade and Shipping, 1585- 1817 (Leiden: Brill, 2003).
 20. Maartin Prak, The Dutch Republic in the Seventeenth Century: the Golden Age, trans. by Diane Web (Cambridge: Cambridge University Press, 2005).
 21. Jan Luiten van Zanden and Maarten Prak, 'Towards an Economic Interpretation of Citizenship: The Dutch Republic between Medieval Communes and Modern Nation-States', European Review of Economic History, 10: 2 (August 2006), 111-145.

For a background in Dutch and international economic history up to the 17th century, see:

John H. Munro, 'Patterns of Trade, Money, and Credit,' in Thomas A. Brady, jr., Heiko O. Oberman, and James D. Tracy, eds., Handbook of European History, 1400-1600: Late Middle Ages, Renaissance and Reformation, Vol. I: Structures and Assertions (Leiden/New York/Cologne: E.J. Brill, 1994), pp. 147-95.

QUESTIONS:

1. Did the Netherlands (Republic of the United Provinces) experience an economic decline in the 18th century? If so, was that decline absolute or relative? What in your view were the basic aspects of the Netherlands' loss of economic hegemony in 18th century Europe?
2. If you argue for economic decline, relative or absolute, analyse the basic causes: were they endogenous or exogenous to the 18th century Dutch economy; i.e. internal or external? What role did foreign competition, especially British and French, play in the Dutch decline? What were the Dutch responses to that foreign competition and to the loss of trade?
3. What role did warfare and taxation play in that economic 'decline'?
4. Why did the Netherlands fail to industrialize, or to establish a modernized industrial base, before the French Revolution (1789)?
5. What role did Dutch capital exports to Britain play in the Dutch economic decline and in the economic growth of Great Britain in the 18th century?
6. Was the Dutch (relative) economic decline a cause or consequence of the 18th-century British Industrial Revolution?
7. How and why did the Dutch lose financial supremacy to Great Britain: Why did the Bank of England supersede the Exchange Bank (Wisselbank) of Amsterdam by the 1780s as the chief banking and financial agency for the north European economy? How did the two banks differ; and what was the most crucial difference in determining that transfer of financial power?