

## **II. MACRO- AND STRUCTURAL CHANGES IN THE EUROPEAN ECONOMY, 1290 - 1520**

### **A. The Dynamics of Population Changes in Western Europe, ca. 1000 CE – ca. 1500 CE**

# **Dynamics of Medieval Population, to 1500: Part B**

- 1. Ricardo and Malthus on Population**
- 2. Mortality (Diseases), Fertility, and  
the European Marriage Pattern**

<p><b>2. 18 September 2013</b></p> <p>Epstein, ch. 6, 8  Brady, ch. 1 (De Vries)  Cipolla, chs.1-3; 5; Davis, ch. 6;  Musgrave, ch. 2</p> <p><b>ET 1</b></p>	<p><b>2</b></p>	<p><b>MACRO-ECONOMIC CHANGES:  POPULATION:</b></p> <p><b>Demography, the Classical Economists, and the Economy:</b>  (1) Malthus: Population Growth and Subsistence Crises  (2) Ricardo: the Concept of Economic Rent</p> <p><b>Demographic Determinants:</b>  (1) Death Rates and the Late-Medieval Black Death  (2) Birth Rates and the rise of the 'European Marriage Pattern'  (3) Other factors affecting fertility</p>
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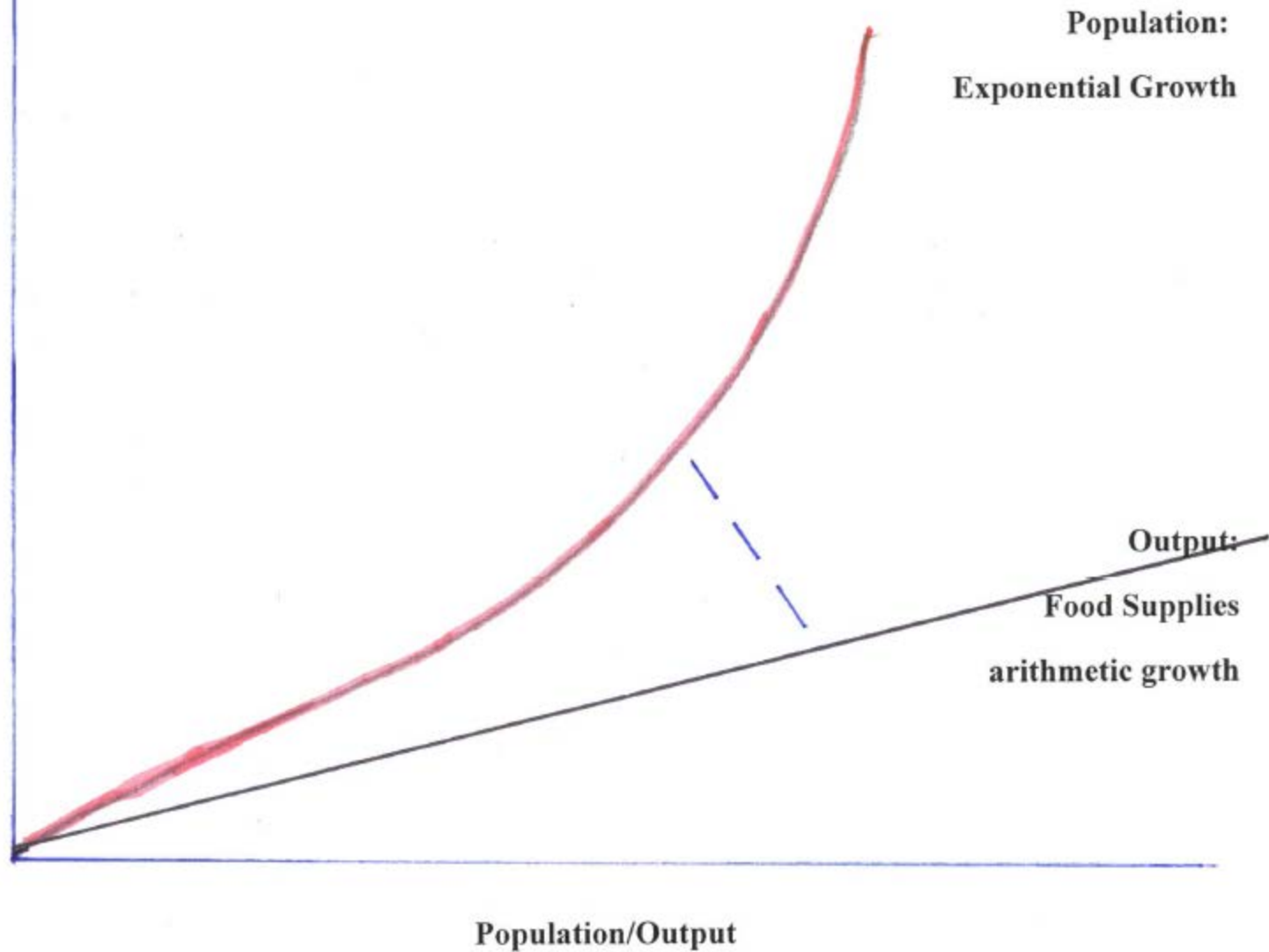
# The Classical Economists:

## Population and the Economy

- 1) **Two 19<sup>th</sup>-century Classical Economists** have influenced to this day our interpretation of how demographic changes influenced the economy:
  - (i) **Thomas Robert Malthus (1766-1834)**
  - (ii) **David Ricardo (1722 – 1823)**
- 2) **Note that the Law of Diminishing Returns** is crucial to both their models: but that concept was unknown till the late 19<sup>th</sup> century
- 3) **Malthus's Subsistence Crisis model** was done last day – now we turn to Ricardo

## THE MALTHUSIAN PROBLEM

with population growth



# Evolution of the Ricardo Model 1

- 1) **Ricardo's own, original theoretical model:** on differences in productivity between two pieces of land, using same capital and technology
- 2) **Johann von Thünen (1783-1850):** German economist who added the importance of differences in distance to markets and thus of transportation costs

# Evolution of the Ricardo Model 2

- 3) **'Marginalist' School of Economics**, culminating with **Alfred Marshall** (1842-1924): importance of the margin:
  - - marginal utility, marginal productivity, marginal cost, marginal revenue → leading to
- 4) **Law of Diminishing Returns** (last day): especially to explain the Malthusian model of subsistence crises

# David Ricardo on Economic Rent

- **Economic rent on land** is the **value of the difference in productivity** between
  - a given piece of land and the poorest piece of land (or the land most distant from the market)
  - producing the **same** goods (bushels of wheat) under the same conditions (of labour, capital, technology, climate)
- **Essence of argument**: wide differences in production and marketing costs between the best and worst lands called into production to feed a given population



# Productivity in Ricardian rent

- **Productivity of agricultural land defined by:**
  - (1) **the natural fertility of the soil:** as utilized by given technology and stock of capital
  - (2) **the distance from the market** in which the grains (or other agricultural goods) are sold
  - (3) so: the productivity differences involve the costs of both **producing and marketing** the grains in a given market.

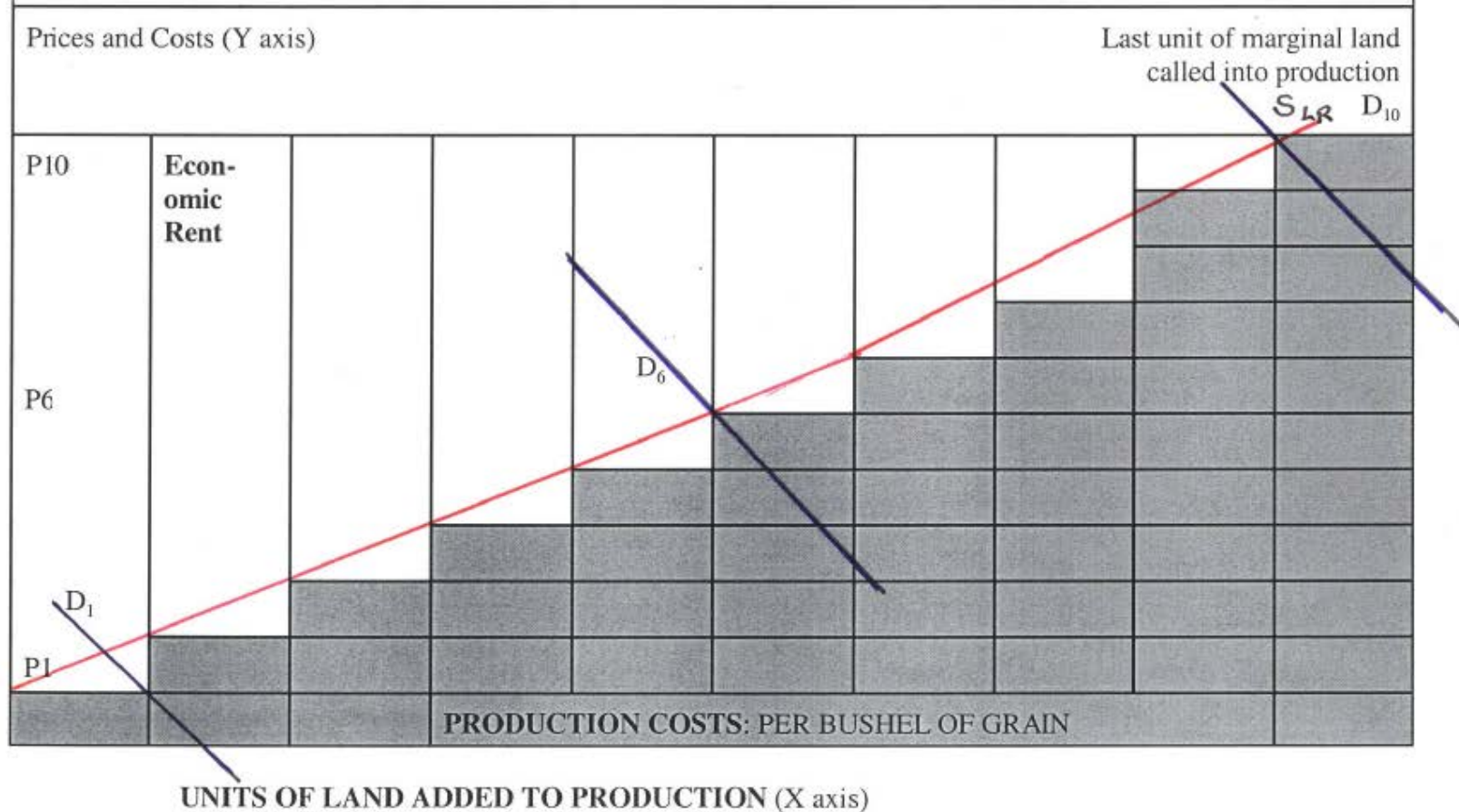
# Population Growth & Ricardian Rent

- **Population growth forces into production new lands** that are (almost by definition) higher cost marginal lands (marginal = extra)
- **Such marginal lands are higher cost for reasons already seen:**
  - (1) inferior soil fertility
  - (2) and/or greater distance from the market, and thus requiring higher transportation and marketing costs (Von Thünen's contribution)

# Population growth & rising rents

- **The price of grain is determined by the marginal cost** of producing the last (marginal) bushel of grain on the last (marginal) unit of land brought into production, from distant markets
- **Only one price for grain can prevail in any market:** determined by the marginal cost of producing grain and supplying it to the market (cf von Thünen model)
- **Economic rent is thus the surplus value created by the difference between the production costs on each unit of land:** from the best (highest, closest) to the worst unit and/or most distant land
- which has no economic rent)

## THE RICARDO MODEL OF ECONOMIC RENT IN GRAIN PRODUCTION



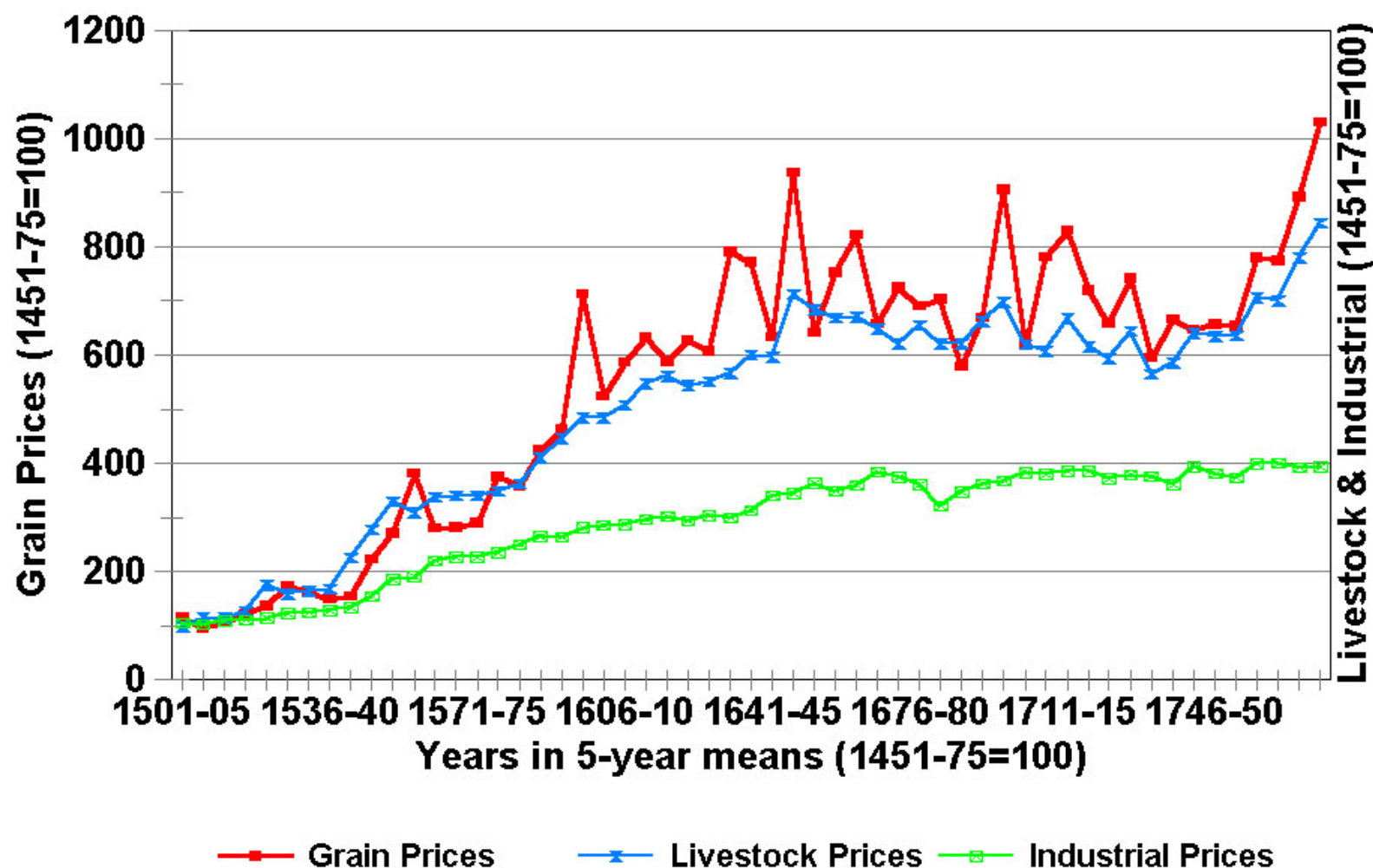
- production costs per bushel of grain: shaded area
- economic rent per bushel of grain: blank area

# Long-Term Elasticities of Supply

- (1) **Supply elasticities** (more than demand elasticities) help to explain:
  - - (a) trends in long-term prices
  - - (b) differences in economic rents accruing on lands for crops, pasture, industrial production
- (2) **Changes in supply curves with population growth**: see the Ricardo graph
  - (a) **grains** (arable): steeply sloping supply curves
  - (b) **livestock products**: less steeply sloping
  - (c) **industrial products**: flat, or gently sloping

# English Prices 1501-1770 (1451-75=100)

## Grain, Livestock, Industrial Prices



# Related definition of economic rent:

## OPPORTUNITY COST

- **The excess or surplus of total payments** given to any one factor of production (land, labour, capital) over and above its 'transfer earnings'
- **Transfer earnings**: the payment required to keep that factor of production in one use and to prevent its transfer to another use
- **Opportunity cost**: **the cost of doing A is the benefit forgone**, earnings not received, by doing B: i.e., transferring that factor from A use to B use

# Opportunity cost & Economic Rent

- **Thus economic rent is the extra amount of payment** that a factor production receives **over and above its transfer earnings**:
- **For Ricardo's agrarian model**: that land had only one use -- - growing grains → so: no 'transfer earnings' were possible
- **Thus: all rent is surplus** to what was necessary to keep that land in its present use growing grain
- **The difference between the market price for grain and the costs of producing it was therefore pure economic rent**, which was expropriated by the landlord
- **The tenant would stay on the land so long as his own 'transfer earnings' were met**: so long as he earned enough not to seek alternative employment.



# Consequences of Population Growth in the Ricardian model

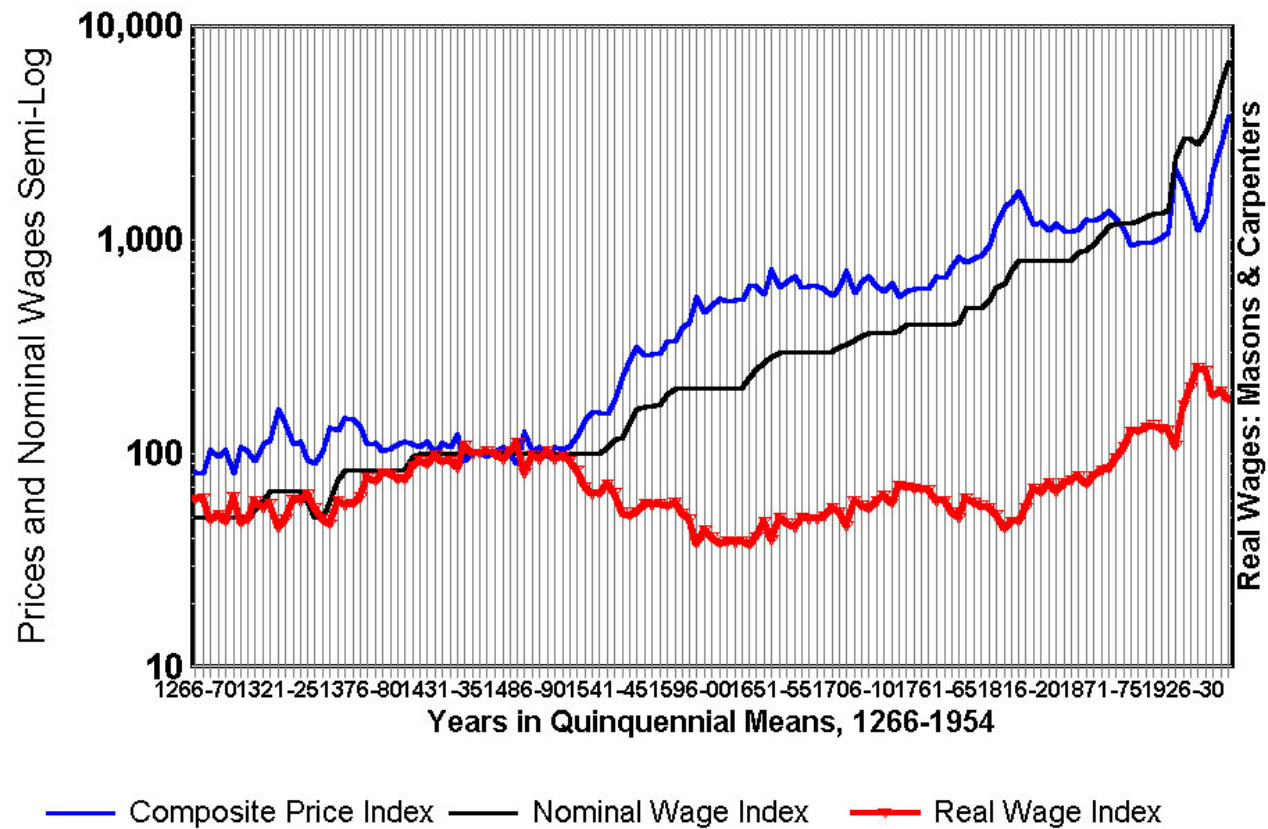
- **(1) GRAIN PRICES WILL RISE**
- **(2) LAND RENTS WILL ALSO RISE** - BECAUSE OF THE INCREASES IN ECONOMIC RENT
- **(3) REAL WAGES WILL FALL:**
  - - because of the rise in the cost of living
  - - because of changes in the land: labour ratio, leading to a fall in the marginal productivity of labour

# Real Wages in the Ricardian Model

- **Real wages are determined** by the **marginal revenue product of labour**,
- which depends on changes in values of products produced and sold on the market
- -in theory, population growth reduces the MP of labour (see: DIMINISHING RETURNS)
- **$RW = MRP(L)$**  – or:
- **$RW = NWI/CPI$**

## Phelps Brown & Hopkins Indices

Prices & Builders' Wages: 1451-75=100



# Consequences of Population Decline in the Ricardian Model: I

- (1) **GRAIN PRICES WILL FALL** –
- as higher-cost marginal lands fall out of production and grain is produced on better quality, lower cost lands, with less labour
- and on lands closer to the market
- (2) **LAND RENTS WILL ALSO FALL:**
- as declining prices reduce the difference between the market price and production costs

# Consequences of Population Decline in the Ricardian Model: II

- (3) **REAL WAGES WILL RISE:**
- - **as the cost of living falls:** with lower priced grains supplied to the market
- as the **marginal productivity of labour rises**
- i.e., since fewer persons (units of labour) are needed to produce a given quantity of grain for the market:
- See **LAW OF DIMINISHING RETURNS**

# Who captured the economic rents?

- **According to both David Ricardo and Karl Marx, the landlord**, as the unchallenged owner of the lands, captured all the economic rent
- **He could supposedly evict all tenants who refused to pay** and replace them with others
- **In historical fact, however, that never happened:** an examination of medieval feudalism and manorial farming: demonstrates that those rents were shared between landlords and tenants

# Who captured the economic rents?

- **FEUDALISM, MANORIALISM, SERFDOM:** are topics in which these issues will be more fully explored (under Agriculture).
- **Surprising anomaly:**
- **manorial courts fixed ‘customary rents’** in nominal money terms (next topic) in perpetuity (inheritance)
- **so that population growth and thus rising grain prices** meant that such ‘customary’ tenants captured all the economic rents – at expense of landlords
- **The landlord reaction:** to alter manorial structures (landlord-tenants relationships) in order to convert customary peasant tenures into short-term leaseholds

# POPULATION CHECKS: I

- **MALTHUS TYPE I: PROVIDENTIAL OR POSITIVE CHECKS**
- **Four Horsemen of the Apocalypse:** war, famine, plague (pestilence) and ??
- **endogenous:** results of Malthusian overpopulation?
- **or exogenous shocks** to the economy?
- **Malthus:** not the most important type of demographic checks in European history



The Plagues of Mankind  
are symbolized by the Four  
Horsemen of the Apocalypse.



Name them.



OKAY... DON'T  
PANIC...



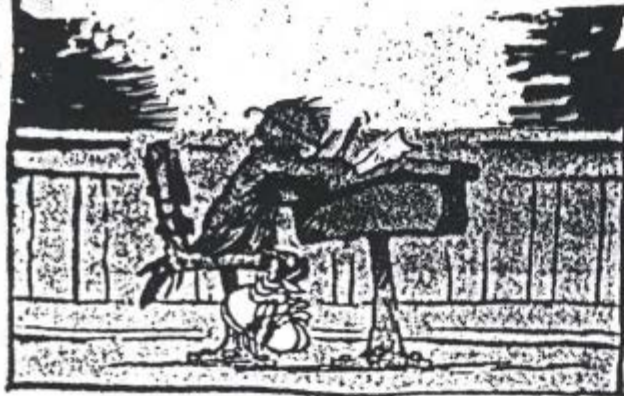
LET'S BE  
LOGICAL  
HERE...



1. War.



2. Pestilence.



3. Famine.



4. Broccoli.



4.  
6



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FOUR HORSEMEN OF THE APOCALYPSE PAINTED IN 1887 BY VIKTOR VASNETSOV

# POPULATION CHECKS: II

- **MALTHUS TYPE II: PRUDENTIAL OR PREVENTIVE**
- **Demographic self controls on fertility:** by marrying later, with sexual abstinence
- 'moral restraints' on sexual behaviour
- **What about contraception** – birth control?
- **NO:** Malthus was a Protestant clergymen when Protestants were as opposed to artificial birth controls as were Roman Catholics;
- **Infanticide:** was also, needless to say, not acceptable!

# DEATH RATES: MORTALITY

- **DEATH RATES:** usually more important than birth rates: since birth rates were normally 25 to 35 per thousand,
- while medieval death rates could soar from 25 to 400/1000 (Black Death)
- **birth rates became more important** at outset of the modern Industrial Revolution :
- accounting for 70% of population growth from the 1760s to the 1830s
- **Why?:** the later **European Marriage Pattern**
- **Today in Canada:** BR is 11/1000; DR is 7/1000

**Demographic Data for Contemporary Countries in Europe,  
North and South America, and Eastern Asia-Pacific in 2013**

Country	Population in millions	Birth Rate per 1000	Death Rate per 1000	Infant Mortality	Life Expectancy Total	Life Expectancy Males	Life Expectancy Females
Canada	35.30	11	7	4.90	81	79	83
U. S. A.	316.20	13	8	5.90	79	76	81
Argentina	41.30	19	8	11.70	76	72	80
Cuba	11.30	12	8	4.90	78	76	80
U.K.	64.10	13	9	4.20	82	80	84
Belgium	11.20	12	9	3.30	80	78	83
Netherlands	16.80	10	8	3.70	81	79	83
France	63.90	13	9	3.30	82	79	85
Germany	80.60	8	11	3.30	80	78	83
Switzerland	8.10	10	8	3.80	83	80	85
Norway	5.10	12	8	2.40	81	79	83
Sweden	9.60	12	10	2.60	82	80	84
Italy	59.80	9	10	3.20	82	79	85
Spain	46.60	10	8	3.10	82	79	85
Russia	143.5	13	13	7.40	70	64	76
Japan	127.3	8	10	2.20	83	79	86
China	1357.4	12	7?	16.00	75	73	77
Taiwan	23.40	10	7	4.20	79	76	83
Australia	23.10	13	6	3.40	82	80	84

# Medieval Diseases & Death Rates

- **Chief medieval diseases:**
  - **plague** (bubonic, pneumonic, septicaemic),
  - pneumonia, dysentery, typhus, leprosy, and tuberculosis (and influenza??)
- **Early-modern and modern diseases:**
  - syphilis, small pox, and
  - then cholera (late 18<sup>th</sup>, 19<sup>th</sup> centuries)

# Transmission of diseases

- **Medieval & early-modern view:**
- **Miasma theory:** diseases came from noxious vapours in atmosphere: from 12<sup>th</sup> century
- not until scientific experiments of Koch (German) and Pasteur (French) in 1870s did we know the bacterial causes of diseases
- **Modern Reality (from 1870s):**
- **water supplies and sewage:** chief vectors for transmission of bacterial diseases



# The Black Death: Plagues I

- (1) **The Justinian Plague:** ca. 540 – ca. 750
- **the First Pandemic:** named after Byzantine Emperor Justinian (527-565 CE): from 6<sup>th</sup> to 8<sup>th</sup> centuries: in Asia, Africa, and Europe
- (2) **The medieval Black Death:** from late 1347 to about 1733: (revisit this next term)
- **the Second Pandemic:** disappearing from western Europe 1730s, it remained in the Russian and Ottoman Empires to the 1820s

# The Black Death: Plagues II

- (3) **The Third Pandemic: 1894 - 1947**
- **modern bubonic plague**: afflicted Asia – especially **China and India**
- - still remains endemic in Asia, SW United States
- provided modern medical knowledge of bubonic plague (*Yersinia pestis*)
- - **but very different from the medieval and Justinian plagues**. WHY?

# Types of Plagues: I

- (1) **Bubonic Plague:** 60% to 80% mortalities
- May have killed 40% of European population in the mid 14<sup>th</sup> century
- **Causes?**
- **Supposedly the plague bacillus** (bacteria) known as *Yersinia pestis*, absorbed by blood-sucking fleas (*Xenopylla cheopis*, *Nosopsyllus fasciatus*),
- fleas that were parasitic on black rats
- did not attack humans so long as there were ample rats
- ***Pulex Irritans***: the role of human fleas??? Disputed

# Types Plague: II

- (2) **Pneumonic Plague:**
- with mortalities up to 99%
- killed rich and poor alike, healthy and infirm
- **Spread by sputum and human breath:** from the lungs
- Evidently a mutation of bubonic plague
- How common is matter of great dispute

# Types of Plague: III

- (3) **Septicaemic Plague:**
- - mortalities up to 90%
- - **infection from bacteria in the blood stream:**
- - from open sores and wounds
- - apparently, very rare: past and present

# Problems with Rat-Flea Theory: I

- **In the Third Pandemic (1894-1947)**, all Indian villagers knew when bubonic plague was coming: from the presence of thousands of dead rats on village roads and fields
- **Note: rat fleas will not attack humans** - unless there are not enough rats left alive
- **But no medieval chronicler**, nor medieval records, indicate the presence of any rats, let alone dead rats, in plague infested areas

# Problems with Rat-Flea Theory II

- **Third Pandemic: 1894 – 1947**
- **plague travelled very, very slowly**, with low mortalities (under 10%)
- **Followed grain supply routes**: which fed rats
- **But medieval Black Death** spread like wild-fire across almost all of Europe, within two years; and with no relation to the grain trades
- **With high mortalities** – killing 40%-50%

# Problems with Rat Flea Theory III

## Transmission Problems with rats and fleas

- **Rats do not travel far,**
- **and travel slowly**
- **fleas also do not travel,** do not leave their hosts (rats or humans)
- **most fleas infected with plague bacteria will die with a matter of days:** esophagus severed
- fleas do not hibernate with plague bacteria



## BRITAIN

# Rats absolved of causing 14th-century Black Death

MAEVE KENNEDY LONDON

Rats weren't the carriers of the plague after all. An archeologist's study of the Black Death in London, in 1348 and 1349, exonerates the famous animal villains.

"The evidence just isn't there to support it," said Barney Sloane, author of *The Black Death in London*. "We ought to be finding great heaps of dead rats in all the waterfront sites, but they just aren't there. And all the evidence I've looked at suggests the plague spread too fast for the traditional explanation of transmission by rats and fleas. It has to be person to person - there just isn't time for the rats to be spreading it.

"It was certainly the Black Death, but it is by no means certain what that disease was, whether in fact it was bubonic plague," he added.

Dr. Sloane has concluded that the spread of the 1348-49 plague, the worst to hit the British capital, was far faster, with an impact far worse than previously estimated.

While some suggest that half the city's population of 60,000 died, he believes it could have been as high as two-thirds.

Dr. Sloane spent nearly 10 years researching his book, poring over records and excavation reports.

He believes there was little difference in mortality rates between rich and poor, because they lived so closely packed together. The plague, he is convinced, spread from person to person in the crowded city. Mortality rose through the bitterly cold winter, when fleas could not have survived, and there is no evidence there were enough rats.

# Current Plague Historians

## (1) Samuel Cohn:

- has convincingly raised all these problems:
- does not believe that the Black Death was pneumonic plague,
- nor that the plague flea was *Pulex irritans*

## (2) John Kelly, John Theilman, Frances Cate:

- Black Death was bubonic plague, caused by *Yersinia pestis*, but a far more virulent form:
- but they do not explain how it spread!!

## (3) Ole Benedictow: ignores Cohn & others

# Warfare

- **Warfare:** endemic, a spreading stain, from the 1290s to the 1450s, in western Europe:
- **1290s a major turning point:** warfare across most of Europe and Mediterranean led into better known Hundred Years War (1337-1453)
- **Wars: not major killers** in terms of battle deaths,
- **but were in terms of wounds & diseases**, and in causing famines
- **Warfare: disrupted food production and trade**
- **polluted water supplies:** rotting bodies

# Famines

- **Famines:** often a serious threat, but not often major killers
- **Famines resulted from adverse climate changes** : bad weather → too wet, too dry
- **Or from disruptions** to both agricultural production and trade: especially from warfare
- **Great Famine of 1315 – 1322:** fortuitous result of temporary climatic changes?
- **Chronic malnutrition:** more serious factor, reducing resistance to diseases

# Mortality and Birth Rates

- **Famine, malnutrition, diseases** (especially plague) often seriously reduced fertility:
- - **amenorrhea** (disruption of menstrual cycle)
- **High infant mortalities** from malnutrition and diseases (esp. plague)
- **effectively reduced the 'live birth' rate** and thus the replacement rate to produce new generations of surviving children
- **Maternal mortalities**: dying in child birth: not as much as often imagined, but a problem

# The European Marriage Pattern

- **John Hajnal:** “The marriage pattern of most of Europe [except eastern Europe], as it existed for about two centuries up to 1940 was... unique. There is no known example of a non European civilization which has had a similar pattern.”
- **Prudential or Preventive** checks to population growth: for Malthus, key to demographic problem – anticipating concept of the EME





# Components of the EMP

- known as **Low Pressure Demographic System**
- (1) **Nuptiality**: a high age of first marriage for women: in late 20s or early 30s
- (2) **Celibacy**: a significant proportion of women who never married: from 15% to 30%
- (3) **Nuclear families**: father, mother, children – and relatively few children
- (4) **Wealth and Incomes**: help determine age of first marriage and family size



# Servants in Husbandry & the EMP

- **post-Black Death phenomenon:** may be related to origins of the EMP
- **With growing scarcity of labour**, many rural households began hiring young people – chiefly teenage women – to assist in agricultural tasks
- **Lived as members of the (nuclear) family** while doing farming tasks
- **Received board, room, clothing, annual salary**

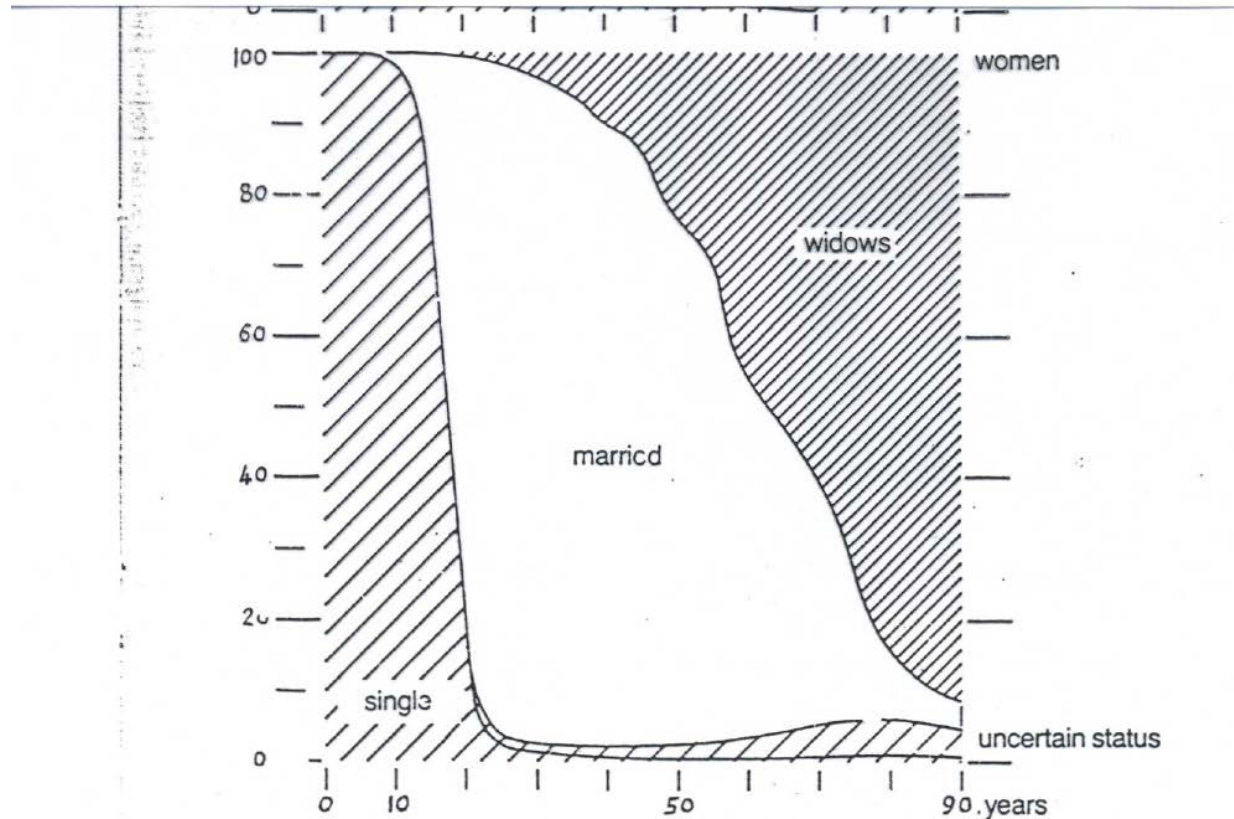
# Servants in Husbandry & EMP II

- **Condition of Service:** that they not marry (or procreate) while living in the household as servants
- **Thus: such women might work as agricultural servants to their late 20s: then retire with substantial cash dowries**
- **major factor in delaying the age of marriage**
- - to the late 20s

# The Universal Marriage Pattern

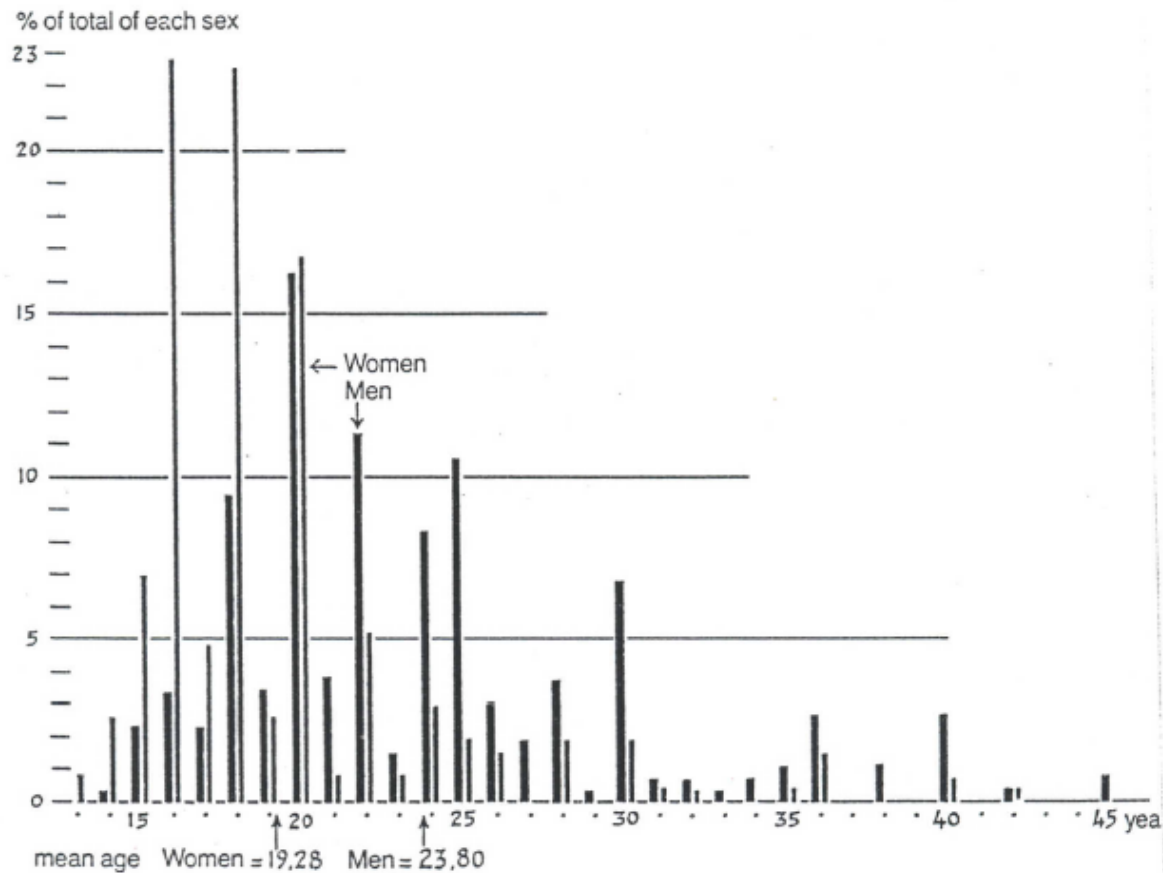
- known as: **High Pressure Demographic System**
- **Prevailed in all the ancient world**, in all of Europe before the early modern era, in eastern Europe until the 20<sup>th</sup> century, and in all of the rest of the world (Asia, Africa, Americas)
- **UMP: for both nuptiality and celibacy**
- Almost ALL women married
- Almost ALL women married by late teens

# The UMP in Medieval Tuscany: 1427

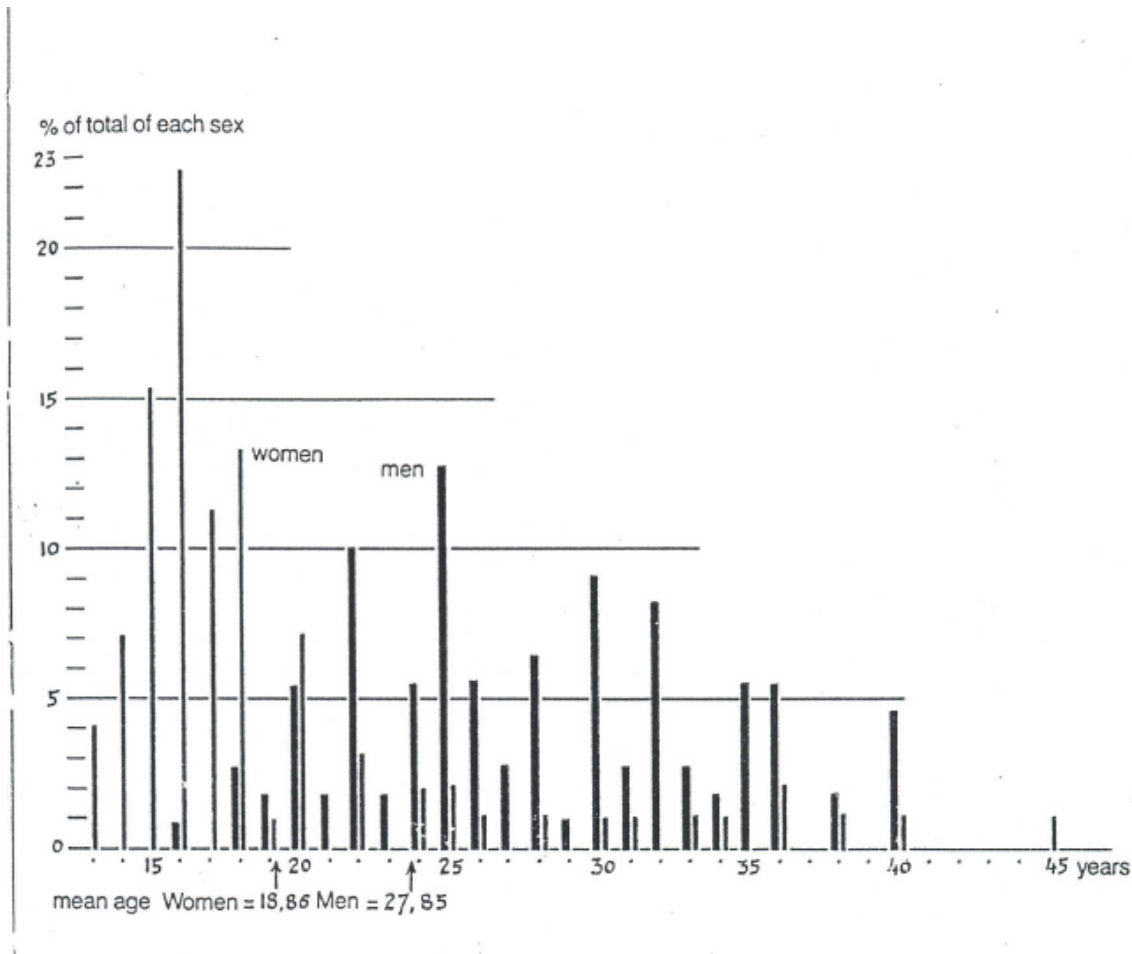


\* Fig. 7.3. Distributions according to Age and Marital Status (Tuscany, 1427)

# Mean marriage ages in Tuscany (1427): rural



# Mean marriage ages in Tuscany (1427): urban (Florence, Pisa, etc.)





# ITALY in the XII & XIII Centuries

Statute Miles

- Duchy of Tuscany
- Papal Territory: Patrimony
- Papal States under Innocent III.
- Venetian Territories in XII Cent.
- Kingdom of Naples and Sicily
- Lands of Counts of Savoy
- Boundary of the Kingdom of Italy
- Boundary of Lands of Countess Matilda







# Modern Day Asia

- - **Universal Marriage Pattern**: is disappearing, but with widely varying patterns
- - **depends in part on marriage customs**: continuation of parentally arranged marriages vs. freely chosen marriages
- **JAPAN**: with far greater economic and personal independence, and higher education, Japanese women are marrying later – if at all – around 30
- - about a third of women remain unmarried

AUGUST 20TH-26TH 2011

Economist.com

The squeeze on Ahmadinejad

# Asia's lonely hearts

Why Asian women are rejecting marriage  
and what that means



Yet marriage is changing fast in East, South-East and South Asia, even though each region has different traditions. The changes are different from those that took place in the West in the second half of the 20th century. Divorce, though rising in some countries, remains comparatively rare. What's happening in Asia is a flight from marriage (see pages 21-24).

Marriage rates are falling partly because people are postponing getting hitched. Marriage ages have risen all over the world, but the increase is particularly marked in Asia. People there now marry even later than they do in the West. The mean age of marriage in the richest places—Japan, Taiwan, South Korea and Hong Kong—has risen sharply in the past few decades, to reach 29-30 for women and 31-33 for men.

A lot of Asians are not marrying later. They are not marrying at all. Almost a third of Japanese women in their early 30s are unmarried; probably half of those will always be. Over one-fifth of Taiwanese women in their late 30s are single; most will never marry. In some places, rates of non-marriage are especially striking: in Bangkok, 20% of 40-44-year old women are not married; in Tokyo, 21%; among university graduates of that age in Singapore, 27%. So far, the trend has not affected Asia's two giants, China and India. But it is likely to, as the economic factors that have driven it elsewhere in Asia sweep through those two countries as well; and its consequences will be exacerbated by the sex-selective abortion practised for a generation there. By 2050, there will be 60m more men of marriageable age than women in China and India.

# High and Low Pressure Regimes

- (1) **High pressure demographic regimes**
- **Universal Marriage Pattern**
- -**fertility at its biological maximum**: in the late teens, early twenties
- -therefore **mortality is the governing factor**
- (2) **Low pressure demographic regimes**
- - **EMP**: mortality and fertility fairly low
- **But fertility the more dynamic factor**, with changes in both nuptiality and celibacy

# EMP and Fertility

- **earlier marriages**, with more time for procreation, led to larger families, especially in eras of low life expectancies
- **Fertility**: is much, much higher in late teens, low 20s; and falls very sharply in the 30s
- -these findings are also borne out by recent Canadian studies:
- **From ages 20-24 to 35-39**, the live birth rate falls by 39.4% : from 409/1000 to 248/1000



**Age Specific Marital Fertility Rates per 1,000 women-years lived  
and Total Marital Fertility Rates in England**

<b>Ages</b>	<b>1680-1729</b>	<b>1730-1779</b>	<b>1780-1829</b>
<b>15-19</b>	315	430	532
<b>20-24</b>	410	418	429
<b>25-29</b>	366	364	390
<b>30-34</b>	315	314	312
<b>35-39</b>	240	254	255
<b>40-44</b>	111	134	148
<b>45-49</b>	22	22	23

# Other Fertility Control Factors

- (1) **sterility and amenorrhea**: as discussed
- (2) **contraception**: evidently widely practised, especially *coitus interruptus* (*onanism*)
- (3) **sodomy** (aka: buggery: anal intercourse)
- (4) **condoms**: from the 16<sup>th</sup> century (sheepskin)
- **Illegitimacy?** - accounted for 10% of all first births, but only 1% - 4% of total births: most pre-marital pregnancies led to marriage

# EMP and Mortality

- **EMP:** lower birth rates better preserved the health of both women and children
- i.e., smaller families better ensured higher living standards – or reduced malnutrition
- **The concept of the EMP is implicit in Malthus:**
- **as the primary form of the Prudential checks** that prevented ‘Malthusian Crises’ of overpopulation (and thus higher mortalities)
- **But when and where did the EMP begin??**