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Methods in Premodern Economic History

Case studies from the Holy Roman Empire, c.1300–c.1600

Edited by
Ulla Kypta · Julia Bruch
Tanja Skambraks

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Introductory Remarks

Julia Bruch, Ulla Kypta, and Tanja Skambraks

This book is aimed at students and researchers of history and economics alike. It provides a concise overview of current approaches, methods and sources in premodern economic history, focusing on the time between c. 1300 and c. 1600. To demonstrate how research in premodern economic history can be done in practice, we present sample studies that analyse different economic aspects of the Holy Roman Empire. Studies on this large area still need to be connected to the grand narratives of premodern economic history, like the rise of the West, the industrious revolution, or

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the evolution of a market economy. In sum, our book has a twofold objective: We want to provide an access to methods and sources for studying premodern economic history as well as give an insight into recent studies of the German premodern economy, thereby paving the path to reconnecting German premodern economic history with the grand narratives that have been developed mainly for Western European regions, like Italy, Flanders, France and England.

The premodern economy is one of the most fascinating and most challenging subjects of study: Analysing it includes the study of history as well as economics. That might sound like a truism. But with the increased use of mathematical models in economics and economic history in the second half of the twentieth century, economic history has been done quite differently depending on whether it was situated in an economics or at a history department. By bringing both perspectives together in one book, we would like to strengthen a strand of current research which reconnects with an even older tradition in economic history: Starting with the late nineteenth and early twentieth centuries, prominent scholars such as Max Weber or Gustav von Schmoller have regarded the economy not as a well-defined section of society, but as a part of society which is intricately entangled with politics, social history and questions of ethics. During the past hundred years, there have always been scholars who were convinced that economic activities follow specific rules, but that they cannot be understood if they are not seen as embedded in a society with its specific resources, institutional set-up and norms of behaviour. Albert O. Hirschman and Amartya Sen, for example, rank among the prominent proponents of this view of the economy.

Accordingly, economic history serves as one perspective to study past societies. Recent debates emphasise that to understand economic history, we need both the bird's-eye view and the studies of individual or small group's choices, practices and decisions. The focus on the individual, embedded in cultural traditions, institutional constraints and social obligations, complements the macro-perspective on population movements, aggregate supply or demand, or averages of real wages: Those who want to understand and explain the premodern economy have to comprehend economic processes such as the workings of supply and demand or the concept of inflation. At the same time, researchers of the premodern economy have to grasp the features and basic concepts of a society which is to a certain degree foreign to their own. They have to understand, for example, unfamiliar mentalities with regard to interest rates, or conceptions of a society with a preordained social order. It is also relevant to have a basic understanding of how to read and interpret premodern types of sources.

In sum, to understand and analyse the premodern economy, historians and economists have to work together. This book lays the ground for such a cooperation: It is one of the first to present in one book historians' and economists' work on the premodern economy. The overview of methodological approaches, sources and research discussions will hopefully give historians and economists alike some orientation in the field. In short, the question this book answers is: How can we do premodern economic history? We tackle this question from a very practical perspective: We show how premodern economic history has been studied during recent decades. This brings into view a wide range of methodological approaches and sources.

The practical examples presented here (Chaps. 6, 7 and 8) analyse the Holy Roman Empire during the period c. 1300–1600. The region and the time frame were chosen because both offer a very colourful perspective on economic history: As a non-centralised, rather fragmented European region, reaching from Burgundy in the West to the Baltic Sea in the East and from the North Sea to Italy in the South, the Holy Roman Empire comprised a variety of regions and forms of government.

The period between c.1300 and c.1600 stands out as an epoch of special interest in two regards: First, the quantity and quality of sources that survived differ from the sources that were preserved from the periods before and after: By far more sources have survived from this period than from any earlier period in history, and they cover a greater range of economic phenomena. Merchants became sedentary during the Commercial Revolution of the High Middle Ages. Thus, their business organisation developed into more complex structures as they had to write down accounts as well as letters to their business partners. A differentiated administration emerged in many towns, and the urban council and personnel produced serial, administrative sources. The landlords also began to introduce written records into their administration, while the monasteries were being able to draw on a tradition dating back to the Early Middle Ages. Hence, for the first time we are able to grasp everyday economic practices and to collect data from serial sources. Nevertheless, these sources do not provide statistical data in the modern sense. They were not recorded in order to be evaluated with statistical methods. In sum, the sources have to and can be analysed with a number of different methodological approaches. Researchers who want to study the premodern economy between 1300 and 1600 thus have to reflect meticulously on the methods which they employ.

Second, these three centuries are of interest because they span the time between two periods of fundamental transformation of the European economy. During the fourteenth century, important external factors changed the conditions and constraints for economic activity in Western Europe and Germany: The first indications of the Little Ice Age changed the climate, and longer periods of coldness and more rain modified the conditions for agriculture which lay at the foundation of the premodern economy. The Black Death ravaged Europe between 1347 and 1351, always bringing very high death rates with it and profoundly changing the resources of economic productivity and distribution (see section "Population, Demography and Economic Growth" in Chap. 2). Furthermore, the Commercial Revolution that had changed the way business was done came to an end (section "Commercial Revolution" in Chap. 2). New techniques and tools of administration and trade had been developed and were spreading throughout Europe. In the German lands, more and more towns had been founded, which modified and enriched the economic structure and its institutions (section "Urbanisation" in Chap. 2). Certain agricultural regions were developing into special cultivation areas, with a close connection to urban (consumer) markets, division of labour and a joint organisation of production and distribution.

After 1600, the set-up of the European economy changed profoundly again. Roughly a century after the first wave of European colonisation had started, its effects and consequences began to transform the economic system in Europe: Economic activities became oriented towards the Atlantic Ocean, and the longer and riskier endeavours all around the world prompted the emergence of new kinds of business organisations such as chartered companies. The Thirty Years' War (1618–1648) devastated large parts of the German lands and massively reduced the population. The period between c.1300 and c.1600 is thus characterised as premodern in the sense that this economy was distinctly not a modern one, while in retrospect we can assess that some features of a modern economy were preconfigured during those centuries, such as division of labour, the difference between town and country, or the financing of large enterprises. Many grand narratives of economic history therefore focus on this period: It has been regarded as a prequel to modernity, a time of take-off of the European economy, a time of transition to capitalism. At the same time, premodern economy and society were different enough from our own to be studied in their own right, that is: not only as a run-up to the modern economy but also as an interesting case of how a different economy did work, how it could function and how it differed in outcomes.

The core of the book is formed by 68 reviewed sample studies analysing the economic history of the Holy Roman Empire c. 1300–1600 with a range of methodological approaches and sources (Chaps. 6, 7 and 8). The reviewed sample studies have been selected according to three criteria: First, they focus on the economic history of the premodern Holy Roman Empire. Research on the economy of the Holy Roman Empire is thriving but could be better integrated into the broader international debates on economic structures and transformations in premodern times. Hence, we outline these debates in Chaps. 2, 3, 4 and 5 and then give examples of studies which could contribute fruitfully to these debates in Chaps. 6, 7 and 8. Second, we selected the studies with the aim to offer a broad panorama of possible methods to do economic history. We aimed at including (a) methods which are traditionally used in historiography and in economics, such as prosopography, source interpretation and hermeneutics, or regression analysis, game theory and institutional analysis; (b) methods whose use is currently debated, such as network analysis (is it possible to do network analysis in premodern times?) or comparison (how does a comparison affect the subjects which are being compared?); (c) newer, experimental or less prominent approaches such as digital mapping or analytical bibliography; (d) methods that historians and economists routinely use but seldom explicitly discuss, such as classification, microhistory, source presentation, the micro-exemplary method, modelling or descriptive statistics; (e) methods imported from other disciplines such as archaeological methods or die analysis. Taken together, the reviewed sample studies show how research on premodern economic history both relies on well-tested and established methods and maintains its innovative power to think of and employ new approaches.

The third criterion for selection was the diversity of the sources. We want to show how broad the spectrum of sources is that can be used for economic history. The studies use well-known source genres such as accounts, rural register and wills were used, but also at first glance unusual sources such as artefacts or theological tracts (see Chap. 10). Nearly all the different methods and sources appear in more than one reviewed sample study; thus the reviewed sample studies present different ways of working with the same method or analysing a specific type of source. Hence, the reviewed sample studies give an overview of current research on the economic history of the premodern Holy Roman Empire, and they offer numerous examples how economic history can be done using different methods and exploiting a variety of sources. This book can of course only offer a selection of studies, and hence present a choice of possible methodological approaches and sources for doing premodern economic history. Even with the three criteria outlined above, the choice remains subjective to a certain degree. But since we were 11 main authors and 16 further contributors working together, all choosing the studies we found interesting and enriching according to the three criteria, the subjectivity was at least multiplied. However, numerous other reviewed sample studies could also have been selected and would have broadened the picture of research even more.

The reviewed sample studies organise the rest of this book: The methodological approaches and sources presented in Chaps. 9 and 10 are the ones used in the reviewed sample studies. Chapters 2, 3, 4 and 5 provide an overview of important grand narratives (2) and an introduction of current discussions in premodern economic history (3–5). Grand narratives (Chap. 2) are the grand themes of economic history that form the background of many studies analysed in this book: The Great and Little Divergence, urbanisation, the relationship between population, demography and economic growth, the Commercial Revolution, the emergence of capitalism, transaction costs and institutions, trust and materiality.

Chapters 3, 4 and 5 set the frame for the reviewed sample studies presented in Chaps. 6, 7 and 8. We give definitions of terms mentioned in the reviewed sample studies (for instance, credit, money, the market, crafts, landownership) and present an overview of the current state of research. We provide background knowledge for three main areas of the economy—production (3), markets (4), and money and credit (5). Production forms the basis of every economy, all the more in premodern times (see Chap. 3). The reviewed sample studies on production (6) presented here discuss how food and other commodities were produced, and how the particular premodern way of producing shaped the economy and society. Food and other goods were exchanged on urban or rural markets. In premodern times, other forms of distribution existed besides the market. Here, we focus on market exchange since the main interest of economic historians has been concentrated on studying this particular form of exchange (see Chap. 4). The distinction between market exchange and other forms of exchange often remains blurry, however, and the different forms remained interconnected. The reviewed sample studies on the market discuss different players on the market, the rules and norms of market exchange and the commercialisation of the German economy (see Chap. 7). If goods were exchanged via the market, they had to be paid in money or kind. During the time we focus on here, most parts of the Western European and German economy can be regarded as money economies (see Chap. 5). Money, its different forms and values, and the way it was used and conceptualised thus played an important part in the workings of the premodern economy. Due to the scarcity of coins in premodern times, credit and debt played a fundamental role in economic transactions. The reviewed sample studies on money and credit deal with both immaterial and material dimensions of money and credit (8), showing the variety of financial practices, the strategies for survival and profit-making applied by premodern people. In total, Chaps. 6, 7 and 8 contain a number of 68 studies in the form of meta-studies showing how current and more traditional researchers have applied different methods and have dealt with the source material. They show how the methods have been put into practice, and with what results the sources have been analysed.

Chapters 9 and 10 consist of two glossaries: one of methods and the other one of sources. The first gives a short general introduction into the methods that are employed in one or more reviewed sample studies (see Chap. 9). It is designed as a toolkit for analysing sources for studying the premodern economy and depicts methodological strategies and approaches. Each entry gives a short overview of how the respective method works. Further readings are given for everyone who wants to employ this method in her own research. The glossary of sources (Chap. 10) is complementarily designed to offer some orientation in the vast number of different types of sources which survived from the time from 1300 to 1600. Since the methods and sources sketched here are the ones that are used in the reviewed sample studies, the reader can find at least one example for how each source type and each methodological approach listed in the glossaries has been employed in practice.

This book should at best be read alongside thematic introductions to the events, facts and figures of the premodern economic history and the Holy Roman Empire. A number of classical and very useful handbooks do exactly that, for example, Cipolla (1976), Epstein (2009), Malanima (2009), Persson (2010) and Buchheim, Fouquet, Schulz (2004). Scott (2002) gives a thematic introduction into the German economy 1300–1600. In this book, we provide some useful instruments for a better orientation in the field of premodern economy. Conclusively, we hope that our readers see this book as a starting point for further research on more studies, methods and sources, and that this book might encourage readers to dig deeper into premodern economic history.

How to use this book? All parts of this book can be used separately: You may read Chaps. 2, 3, 4 and 5 to get an overview of the grand themes and current debates in economic history; you may study Chaps. 6, 7 and 8 if you want to see how historians and economic historians work in practice, or you can consult Chaps. 9 and 10 if you want to get an impression of the diversity of methods and sources that economic historians employ, for instance if you are looking for an appropriate methodological approach or sources for your own research. Due to numerous cross-references between the sections, all parts can also be used in connection to each other. For instance, if you search for a specific method, you will also find references to the respective studies described in Chaps. 6, 7 and 8. All entries in the glossary, both for sources and methods, are in alphabetical order. The source keywords are further classified by type of source. The reviewed sample studies are arranged according to the three main themes: production, market, and money and credit. Each chapter lists the reviewed sample studies in alphabetical order of the author's name. Of course, these three themes overlap, so the assignment of some of the reviewed sample studies to just one of the thematic strands can be debated. However, for the sake of a clear structure, we assigned each study to only one of the three main themes.

This book benefited from the work, help and advice of many colleagues. We thank all authors involved in the writing of this book. First and foremost, we thank all colleagues who were working with us from 2015 to 2018 as members of a research group entitled "Handeln, Kalkulieren, Wahrnehmen. Für eine neue Methodik der Spätmittelalterlichen Wirtschaftsgeschichte", founded by the German Research Foundation (DFG): Ulf Christian Ewert, Angela Huang, Stephan Köhler, Niels Petersen, Kathrin Pindl, Christian Scholl, Sebastian Steinbach and Marco Veronesi.

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Grand Narratives in Premodern Economic History

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Grand narratives tell a history with a central theme or leitmotif. They offer one way to explain important transformations that happened during a certain period. A grand narrative organises all the details of a historical process into a more or less coherent story. The grand narratives presented here attempt to grasp how the premodern economy turned into a modern one. Since they all focus on a specific aspect of the economic development, none of them encompasses everything that happened in the European economy from c. 1300 to 1600. Rather, they work as guard rails for research in premodern economic history: They shape the interest that historians take in economic history. For example, in recent decades far more studies on towns and the urban economy have been published than on the rural economy, even though at least 80 per cent of the premodern European population did not live in towns. This notwithstanding, the emergence of towns is regarded as one of the important developments in premodern Europe, and in consequence many researchers want to participate in finding out how exactly this special form of social organisation shaped the European society and economy.

In this chapter, we briefly outline the grand narratives that frame all three main areas covered in this book, namely, production, market, and money and credit. The narrative of the Great Divergence can be regarded as the most influential narrative which has shaped economic history over the past two decades. It sparked intensive discussions in economic history. This strand of research tries to find out why Europeans and the Western world became so much richer than the rest of the world in modern times. Many possible reasons, for example, technological improvements, have a history that reaches back to the time covered by this book. In due course, the Great Divergence was supplemented by a Little Divergence: Higher growth rates in the early modern period diverted the path of economic development taken by the North Sea Region from the rest of Europe. If one looks for specific European characteristics of the medieval economic 'take-off', the towns with their special forms of associations and economic organisations are always mentioned. During the Middle Ages, towns sprang up all over Europe and became especially important in the Holy Roman Empire. This process of urbanisation profoundly changed the structure of the European economy. Towns could only exist if not all the population needed to work in agriculture in order to produce food. The demographic rise of the eleventh to thirteenth century thus laid the foundation for a significant transformation of the European economy. One of the longest-standing narratives in economic history deals with this interrelationship between population, demography and economic growth. In premodern times, the story goes, Europe made its first attempts to escape the Malthusian trap; that is, the growth of the population was not always and everywhere checked by a scarcity of food supplies any more.

The narrative of the Commercial Revolution also starts with the population growth of the High Middle Ages, which promoted substantial changes in agriculture as well as in trade and credit practices. Europe turned from a predominantly agrarian society into a commercial one: Agricultural production remained by far the largest sector of the economy, but it was becoming more and more market oriented, and merchants claimed a more important role not only in the economy, but also in politics, education and culture. The Commercial Revolution can be regarded as a transformation that laid the foundations for the emergence of capitalism. The time period c. 1300–1600 is thus of much interest to researchers who try to find out how capitalism came into being. Such a story, however, can be in danger of seeing the premodern era in a teleological way as a mere forerunner of modern capitalism. In contrast, one way in which to study a historical economy in its own right is to analyse its specific institutional set-up. Every economy is shaped by its institutions, that is, by rules, regulations, norms and belief systems. Institutions determine the transaction costs for economic activities and thus influence economic performance. Institutions structure economic actions and thus make them foreseeable. The same is true for trust, which also serves to strengthen the predictability and thus the reliability of economic actions. The two strands of research, however, have not been combined so far: Is trust an institution or do people trust an institution? The concept of trust structures its own field of research and is hence discussed separately here. Finally, the current trend of focusing on materiality claims that all these narratives could be enriched by including not only written sources, but also artefacts in our historical analyses. We thus present and summarise those traditional and new narratives here as guidelines and tools for orientation, bearing in mind that these narratives are broad constructions including a high degree of generalisation that will not apply to all historical cases. Nevertheless, they are indispensable background knowledge and structure the way economic history is studied and discussed.

In sum, the time between 1300 and 1600 can be regarded as interesting for (at least) two reasons: On the one hand, it is acknowledged as the period when the foundations of our modern society were laid: The time when towns developed, trade and credit became more important, proto-capitalist structures and mentalities emerged, and the Little Divergence within Europe prepared the continent for the Great Divergence, its departure from poverty. On the other hand, the premodern economy still looked distinctly different from our own. Population growth and economic growth were still checked by Malthusian constraints, the institutional set-up of premodern economies was quite different from our own and transactions costs were much higher, and trust was mostly placed in persons, not institutions. The premodern economy is thus not only a forerunner of our own, but also offers an interesting example of how people coped with very different circumstances.

Great and Little Divergence (Julia Bruch)

According to the narrative of the Great Divergence, around 1750 China's economy was on an equal footing with Europe's. Roughly a hundred years later, living standards in Europe were significantly higher than in any other region of the world. The still ongoing and lively debate on the Great Divergence is about how this was possible. Research on the Great Divergence thus tries to find reasons for the different (economic) development of Europe and parts of North America compared to India, China, the Arabic world and Japan.

Discussions focus on technologies, material welfare and prosperity (Epstein 2009, 192). The term is taken from the title of Pomeranz's book

The Great Divergence: China, Europe, and the Making of the Modern World Economy (Pomeranz 2000) and describes the sort of 'European Miracle', which is the title of a book written by Jones 1981. Research on the Great Divergence focusses mainly on the Industrial Revolution, its determinants and its consequences, which led to the unique European path of development. However, Maddison and his team of researchers at the University of Groningen collected a huge database on gross domestic product (GDP). They came to the conclusion that the divergence between Europe and China must have started not in the eighteenth, but in the sixteenth century (Maddison 2001; the files can be found online, http://www.ggdc.net/maddison/oriindex.htm, see also http://www.theworldeconomy.org/#2).

Economic historians of the premodern era have done a lot of research into the developments in periods long before the Industrial Revolution and wondered what caused growth before 1750. These long-term studies looked at economic development and growth since 1300. A Little Divergence is supposed to have paved the way for the Great Divergence. During this Little Divergence, the North Sea Area (England and the Netherlands) enjoyed higher growth rates than the rest of the European continent. The latest works on the Little Divergence were compiled by de Pleijt and van Zanden (de Pleijt and van Zanden 2016, 387–8), who focus primarily on real wages, urbanisation, book production, consumption and agricultural productivity (in selection: Allen 2000, 2001; De Vries 1981; Buringh and van Zanden 2009; Slicher van Bath 1963; Allen and Weisdorf 2011). If one wants to find out why England and the Netherlands were able to prosper on such a sustained basis, one has to explain how both regions were able to free themselves from the constraints of the Malthusian verdict before 1800 (see section "Population, Demography and Economic Growth" below).

The explanations for this economic take-off are mostly sought in institutional change (political and demographic), in overseas trade and in human capital formation. Allen tested this hypotheses and came up with a very comprehensive result (Allen 2003), in the words of de Pleijt and van Zanden: "Real wages, agricultural productivity, urbanisation, protoindustrialisation, and population growth are explained by each other and six exogenous variables: land-labour ratios, enclosure movements, trade levels, representative governments, rates of literacy and productivity in the manufacturing industry. […] the rise of the North Sea area is due to international trade and not caused by human capital formation and/or institutional change" (de Pleijt and van Zanden 2016, 388). In their own study, de Pleijt and van Zanden, however, changed the proxies for human capital formation from literacy to book production and secondary schooling and included Protestantism and its effects on this sub-area. They thus reached a different result: "This conclusion moreover supports growth theories that stress the importance of human capital formation for the onset of modern growth" (de Pleijt and van Zanden 2016, 406–407, quote 407). The question of how the Little Divergence came about is still a topic of lively discussion. However, as with any global theory, researchers should consider the dangers of reconstructing in retrospect a teleological or even deterministic development ('it had to be Europe').

Urbanisation (Ulla Kypta)

The spread of towns all over Europe during the Middle Ages is regarded as one of the most defining transformations of the European economy. When population started growing in the eleventh century (see the following section), towns sprang up in Western Europe. During the High and Late Middle Ages, towns grew and were founded in Central and Eastern Europe as well. Urbanisation can thus be regarded as a truly European phenomenon which was also very prominent in the Holy Roman Empire. Weber claimed that European towns show special features that distinguish them from cities in the ancient world as well as in other parts of the world (Weber 1999). He characterised European cities since the Middle Ages as 'producer cities', in contrast to 'consumer cities' found elsewhere (see also Selzer 2018). Weber's narration was in essence a political story: The medieval town was different from other cities primarily because of a different political set-up. Weber, who was writing in the age of the bourgeoisie, set the medieval town apart because it was inhabited by citizens who formed associations, shared a set of common duties and responsibilities, and were thus able to govern themselves (Boone 2013, 231). However, these self-governed citizens were also able to introduce new forms of economic activities into medieval Europe: While the inhabitants of ancient cities had to rely entirely on the countryside to feed them (and thus can be regarded as mere consumers), the new type of town was buzzing with commercial and artisanal activities. Whereas consumer cities had to force the countryside to sustain them, producer cities could engage in economic transactions with their surroundings or with other cities and could thus take care of themselves.

The story of urbanisation told in the recent *Handbook of Cities in World History* remains in essence the same as Weber's but is now narrated with more nuances (van Bavel et al. 2013). Van Bavel et al. distinguish not between 'consumer' and 'producer cities' but discern coercion-oriented from market-oriented towns. Just like consumer cities, however, coercion-oriented towns obtain their resources by force from their surroundings. They serve as political centres of power, but not necessarily as economic hubs. In premodern times, such coercion-oriented cities could be found in the Middle East and most prominently in colonial South America. European cities in the Middle Ages, in contrast, functioned as economic centres. They were situated along trading routes and not in the middle of a political territory. Van Bavel et al. explain this European distinctiveness with the fact that urbanisation in Europe set in quite late in comparison with the rest of the world.

A specific economic set-up is thus regarded as essential for the distinct role with which the European city is credited. The market plays an essential part in this story (see Chap. 4). The map of every European town shows a market place. In the most rudimentary form, the market served as a place of exchange between city dwellers and the peasants of the countryside and as a place for the urban and rural population to buy foodstuffs and artisanal products. A fixed and regulated place of exchange reduced transaction costs (see section "Transaction Costs and Institutions" below): Whoever wanted to buy or sell something knew where, when and how to do that.