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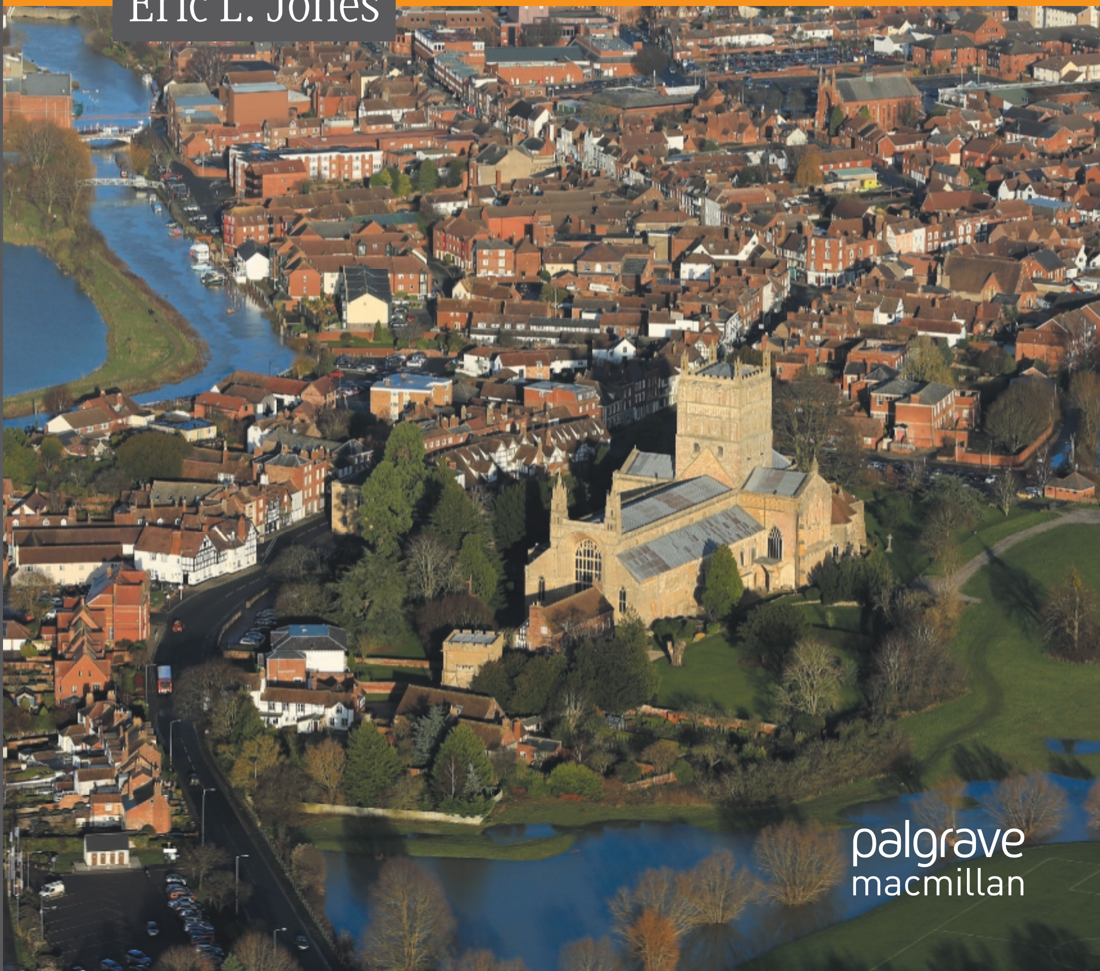
Barriers to Growth

English Economic Development from the Norman Conquest to Industrialisation

Eric L. Jones



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ISSN 2662-6497 ISSN 2662-6500 (electronic)
Palgrave Studies in Economic History
ISBN 978-3-030-44273-6 ISBN 978-3-030-44274-3 (eBook)
https://doi.org/10.1007/978-3-030-44274-3

Cover illustration: Lyndon Griffith/Alamy Stock Photo

This Palgrave Macmillan imprint is published by the registered company Springer Nature Switzerland AG
The registered company address is: Gewerbestrasse 11, 6330 Cham, Switzerland

For Joel Mokyr

Acknowledgements

I am grateful to several people for help, my wife Sylvia and son Christopher for sub-editing, John Anderson and Shaun Keneally for critical readings, John Morgan for commenting on chapter 12 (Floods), and Syd Flatman for accompanying me on numerous site inspections of towns and villages.

While this book was with the publisher, Joel Mokyr sent me his review article, 'The Past and Future of Innovation: Some Lessons from Economic History', *Explorations in Economic History* 69 (2018), pp. 13–26. This is the only other direct treatment of barriers to growth that I have seen. It was therefore doubly appropriate that I had dedicated the book to him.

Praise for *Barriers to Growth*

"Jones's thesis is that the cumulative growth of national wealth over six centuries after the Norman conquest cannot alone be explained by innovations in production. Overcoming obstacles and dealing with shocks was as important in shaping economic development. *Barriers to Growth* asks us to look again at the historical record, to focus on themes which have received little attention or only specialised interest. A revised framework for interpretation emerges when the themes are woven into standard historical explanations."

—Patrick Dillon, *Emeritus Professor, College of Social Sciences and International Studies, University of Exeter*

"This book sees modern economic growth as a removal of institutional and environment barriers that held it back before the Industrial Revolution and which were gradually and unevenly relaxed at some point in the Age of Enlightenment and after. The barriers to growth before the Industrial Revolution were inertia and resistance; above all these had to be overcome. This is a work not just of erudition but of wisdom."

—Joel Mokyr, *Robert H. Strotz Professor of Arts and Sciences and Professor of Economics and History, Northwestern University*

"… a highly original and thought-provoking perspective on a major topic of debate for economic history. It challenges the existing debate by broadening its focus, drawing into the heart of the argument a welter of subtle changes that slowly transformed how markets and the flow of capital altered during the two or three centuries before the so-called take-off of the English economy."

—Robert Dodgshon, *Emeritus Professor, Department of Geography and Earth Sciences, Aberystwyth University*

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PART I

The Erosion of Obstacles

CHAPTER 1

Barriers and Push Forces

Long ago I raised the question of whether economic growth may be explained in part by the stripping away of impediments.[1] I had in mind, 'the removal of tolls, internal tariffs, gilds, debasements, forced loans, confiscations, monopolies, settlement laws, sumptuary legislation and the other paraphernalia of absolutist monarchs and would-be absolutists like the Stuarts'. Conventional approaches are quite different; almost all claim to have found the prime mover. Shifting attention to negative gains from the removal of blockages implies a bolder claim. It is that an impulse to get rich was latent all along and was sufficiently widespread (which is not to say universal in time and space) to have had a big effect when unleashed. In an earlier book I considered the implications on the global stage but wish to examine it more closely here by exploring the slow dissolution of barriers in English history.[2]

My suggestion has rarely been followed but a large literature may be brought to bear on the topic. The sources drawn on here are sometimes long-standing, widely different in date and not always familiar; this should not matter if they are pertinent and have not been surpassed by more modern publications. The econometric tests now commonly applied in economic history have their merits, give or take objections to unreliable data sets and the furore in the social sciences about the meaning of statistical significance, but I prefer to cite representative examples from actual historical sources.[3] Local evidence sometimes alters one's mind about relative significance and I do not always discern the world of my ancestors in the abstractions of my profession.

E. L. Jones, *Barriers to Growth*, Palgrave Studies in Economic History,
https://doi.org/10.1007/978-3-030-44274-3_1

The following discussion moves from early and broad developments in the economy to later more specific ones. They include the reduction of materially unproductive expenditures on religious structures; unlocking land resources by means of the Dissolution of the Monasteries; ending the medieval cycle of destructive civil wars; struggling to abolish maladministration in its many forms (censorship, protectionism, corruption and so forth); lifting a vexatious levy on agriculture by means of the Tithe Commutation Act; and observing the decay of institutions which had allocated resources in a productively inefficient fashion. To these are added discussions of the economic shocks from epidemics, epizootics, weather shocks, flood, fire and so forth, and the curbing of related losses by better disaster management. Not all reported shocks or disasters prove to have been nationally important, although they were likely to have been at their most damaging in early periods. Nor could every type of shock be satisfactorily parried, at least in the period before industrialisation, but problems that threatened to reduce output seem worth investigating to assess how damaging they may have been.

This book contains a larger component of 'real world' processes than is usually found in economic history. Partly it reflects topics on which I have worked throughout my career; many have attracted interest only in specialist quarters but deserve more attention. The emphasis on agriculture will not surprise because it has always been a fairly substantial subfield within economic history. Landscape history, environmental history and disaster studies, on which I began to write early, have at long last become expanding fields. This is a healthy development even if modern practitioners move the baseline forward by scouting earlier contributions. A greater problem comes from the narrowness of conventional historians and even economic historians, who—as the new specialists are starting to lament—have seldom absorbed these topics.[4] To quote an outsider to the world of scholarship, 'it has never occurred to me that the problem—or at least the limitation—of history is that it is written by historians, scholars with a predisposition towards a particular kind of narrative. So along comes someone who knows a lot about geology and geography, and history looks completely different'.[5]

England had an intermittent but benign history of lifting burdens and reducing the impact of shocks to the economy. This was not dramatic or abrupt yet was quietly formative in releasing capital, land and labour for productive ends. When industrialisation did come about, through innovations like canalised rivers, canals and railways and the use of coal in manufacturing, this benefited from emerging in an already flexible economy—one less troubled by waste than before, as well as possessing richer and more open markets. Without this, the eventual birth of industrialisation would have been far more troubled.

Modes of economic coordination fall into the standard categories of custom, command and market. Over time the proportions changed in the direction of market allocation, which is the history of growth in a nutshell. Allocating resources and effort along customary lines had meant suppressing inequality of income at the cost of restricting individual endeavour. Historically, the market gradually, unevenly and incompletely replaced custom and may therefore be credited with opening the way for industrial growth. Command systems likewise had held back growth, since in them activity was dominated by the ruler or landowner. These men had secured their positions because their ancestors had fought for them, which meant that command systems were operated by people who did not necessarily possess commercial or managerial expertise. They had an incentive to obtain a large slice of output for themselves as rent-seekers and were not inspired to innovate in the technological sphere.

If we focus on medieval and early modern landowners in England, we find them well able to accumulate wealth. The wool trade was profitable and through it they became ever more involved with the market although using their non-market powers of command to smooth the path. They began to see the little arable holdings of the peasantry as barriers to maximising their own wealth and expelled villagers in order to turn their holdings into sheep pasture. The market thus intruded in more than an abstract sense and the process was fossilised in the ridge-and-furrow visible to this day beneath so much Midlands grass. The lantern towers of the wool churches soared up in the pastoral regions and the great rebuilding of Midlands manor houses began. The theme will recur of how many historical processes are embodied in the landscape. It is supposed that dispossessed ploughmen swelled the ranks of masterless wanderers—hence the well-known saying 'hark, hark the dogs do bark, the beggars are coming to town'.

An intriguing take on these formative processes was expressed in 1779 by Gloucestershire's topographer, Samuel Rudder.[6] In former times, Rudder proclaimed, two things operated very powerfully to hinder agriculture, meaning cultivation: the great barons preferred grazing because it released labourers to become fighting men while before the reign of Elizabeth exporting raw wool to Flanders promised huge benefits.

Agriculture was neglected, causing frequent famines and great pestilence. It is not necessary to accept Rudder's stylised model or attribution of motive to see that he was making a serious effort to explain how arable farming had been held back. There was no special return to ploughing in the Midlands triangle after the mid-sixteenth century, when rising prices might seem to have prompted it; arable expanded instead in fresh parts of the country. 'Men could decide what was the optimum use', said Maurice Beresford, 'with a freedom which they had never previously had…' when land-hunger, tradition and fear of bad harvests had bound them to growing cereals.[7] This involved exposing traditional allocations of land to market decisions.

Barriers raised the costs of investment and innovation, and when they were vanquished costs fell. Command systems could sweep some away but were better at redistributing wealth towards the powerful than at creating it. The pie was sliced rather than a larger one being baked, although the inadvertent effect was to accustom society to greater competitiveness. Over the post-medieval centuries, as we shall see, a long list of depressants was eroded or extirpated, increasingly by feedback from the forces of growth itself. The resources released might be used up in current consumption or eaten by larger and longer-lived populations, but when they did not have to be spent on repairing an endless cycle of damage they were in principle free for productive activities. So much 'unblocking' took place over the late pre-modern centuries and so many sources of loss were eliminated to make England an easier and easier venue for investment. Each episode may have been a struggle but each as an unintended consequence advanced development a little; the effects were as fruitful as many a technical breakthrough.

Only in the development economics taught in the 1950s were explicit treatments of disabilities to be found. At that period university courses quite often started with the eighteenth century, the English industrial revolution being treated as an abrupt break of trend even before Walt Rostow put the indelible label of 'take-off' on the process. Courses then jumped to the so-called Third World but when it dawned that England was not a good model for those regions the approach was abandoned. Why was England not a good model? Already too wealthy by the eighteenth century, too long supplied with functioning institutions, and uniquely supplied with inventions? Poverty in medieval or early modern times might have seemed a better analogy with contemporary less-developed countries but economics students were thought to have no appetite