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# UNIT 1 SEVENTEENTH CENTURY 'EUROPEAN CRISIS'

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## 1.0 OBJECTIVES

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Seventeenth century marks a watershed in the history of Europe. It led to the end of feudal age in Western Europe while in the Central and Eastern Europe; it resulted in the strengthening of feudalism. It also completed the shift of the commercial and economic activities from the Mediterranean Sea to the Atlantic Coast on Western Europe. It meant the decline of the Mediterranean states and the rise of England, Holland and northern France.

- In this Unit, you will study why the Seventeenth century crisis is considered the 'General Crisis' and how it affected the economy, polity, social life and geographical contours of the European map,
- you will get familiar with the debate that has taken place among historians on the nature and dimension of the crisis,
- you will be able to explain the importance of 'The Thirty Years War' and how it contributed to the crisis in central Europe, and
- you will be able to trace the impact of the general crisis on political, economic and social life of Europe.

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## 1.1 INTRODUCTION

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Medieval Europe experienced alternate phases of growth and contraction and this trend continued till the seventeenth century. There was a long period of steady economic growth, expansion of agriculture and demographic upsurge beginning from the tenth century. Black Deaths in the early fourteenth century reversed the process with heavy population losses that affected agriculture, trade and manufacturing sectors adversely. The revival of the European economy began from the last quarter of the fifteenth century. The sixteenth century is seen as a phase of prosperity, demographic increase, significant expansion of agriculture, introduction of proto-industrialization in some parts of Europe and the formation of new trade organizations. The total volume of trade gained new heights. Social attitudes changed with the spread of Renaissance and Reformation and the emergence of colonial empires across the globe transformed the structure of trade. New business activities and commercial institutions were formed to handle the increasing volume of trade. The colonial empires brought numerous new products to the European markets such as silver, cotton, cochineal, sugar, potatoes, tomatoes, spices, indigo and many other items. It contributed to the rise of monetization of economy in several regions of Europe.

However, this vast expansion of economy came to an end between 1600 and 1620 in many parts of the continent. What led to the decline, what was the nature of the crisis and how it affected Europe have been explained differently by historians and scholars. This has become a prolonged historical debate. In the subsequent sections, we are going to study these aspects in detail.

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## 1.2 HISTORICAL DEBATE ON THE NATURE OF CRISIS

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It was Voltaire, the famous French philosopher of Enlightenment, who brought out the concept of general crisis in his *Essai sur les moeurs et l'esprit des nations* in 1756. An interesting debate began from 1950s among the historians of early modern Europe that lasted for almost two decades. This lively debate was mainly centred on the question whether the experience of each country followed a pattern of change that was a part of the entire European experience of pre-modern period or whether each country followed a separate path of transformation. Many historians developed their own theoretical explanations that resulted in a broad agreement on the idea of 'general crisis of the seventeenth century'. The major works on this theme included the names of Roland Mousnier, Eric Hobsbawm, H.R. Trevor-Roper, Theodore K. Rabb, R.B. Merriman, Niels Steensgaard, J.V. Polisensky, etc.

The intense debate on the subject of general crisis can be seen in the three broad approaches: The first view argues that the crisis was economic in origin. We may divide the economic interpretation into; a) those arguments based on theoretical classical Marxist interpretation, b) arguments based on economic data — issues like money and prices, c) those arguments which focus on demographic factors. The Marxist writings (on the general crises) present this period as a critical phase in the transition from feudalism to capitalism. The debate was initiated by Eric Hobsbawm in 1954 and was followed by Boris Porchnev. The crisis was seen as a class conflict that took place at two levels. In the eastern region of Europe, the

struggle was between the peasants and feudal nobility in which the latter won. In the Western Europe, the struggle to control the state was between bourgeoisie and feudal nobility and was decided in favour of the bourgeoisie. Eric Hobsbawm, a leading Marxist historian, considered it as a major crisis of European economy. In his initial essay, Hobsbawm observed that the seventeenth century was not only an era of economic crisis but also a period of social revolt. Later, Hobsbawm integrated the seventeenth century crisis as a part of much wider transition from feudalism to capitalism. Ruggiero Romano provided massive data from various sources to pinpoint the precise moment of the crises. According to him, the exact time of the crisis was 1619-1622, when the economic growth of the sixteenth century ended and marked the beginning of stagnation or decline. He also presents it as an economic and political crisis. But his thesis provided factual basis to Hobsbawm's interpretation. Thus, the Marxist writers saw the seventeenth century crisis a crisis of production and the major force behind at least some of the revolutions was the force of the producing bourgeoisie, restricted in their economic activities by the obsolete, restrictive and wasteful productive system of feudal society. The crisis of production was general in Europe, but it was only in England where the feudal monarchical absolutism was overthrown by the rising landed gentry and urban bourgeoisie (1642-1660) paving the way for the triumph of capitalism. The second approach concentrates on political issues, particularly the mid-century revolts and rebellions. H.R. Trevor-Roper was one of the earliest writers to suggest the thesis of 'The General Crisis of the Seventeenth Century'. He picked up the theme that it was not the crisis of the European economy but a crisis in relations between society and the state, a result of the expansion of Renaissance Monarchies and whose financial burden the society could not bear. He sees the major events of this period as political revolution. R.B. Merriman (in his *Six Contemporaneous Revolutions*) sees them as a social and political manifestation of the crisis that had been affecting the entire Europe. In his work, he compares various mid-century revolts which took place in England, France, Catalonia, Naples and Holland.

The third major interpretation of the crisis takes a sceptical view towards the very concept of general crisis. There are historians who oppose the theory of general crisis of the seventeenth century. J.H. Elliott had doubts whether the instability caused by widespread revolts was in any way exceptional. For him, similar clusters of revolts could be seen between 1560s and 1590s. He tried to draw attention of the historians to a series of tensions within early modern political structures that caused frequent revolts and rebellions. Elliott was rather sceptic of Trevor-Roper's focus and explanation of the mid-seventeenth century revolts. In 1975, Theodore K. Rabb published his famous work on this subject titled *The Struggle for Stability in Early Modern Europe*. It synthesized the discussion on the crisis debate of the last twenty five years and sought to rescue the idea of crisis with a more precise definition of the term. At the same time, he broadened the scope of the European history between 1500 and 1700 piecing together new information from political, economic, social and cultural history into the crisis debate. Rabb made historians to employ the word 'crisis' with greater precision and brought cultural dimension of change into the discussion on general crisis.

In between the above mentioned approaches, we find some other interpretations who try to synthesise various viewpoints. Roland Mousnier in his work, *Les XVIIe et XVIIIe Siècle* suggested that the period between 1598 and 1715 was one of crisis that could be seen in the fields of demography, economy, administration

but also in intellectual sphere. This crisis marked a decisive shift towards a capitalist order.

The 1960s and 70s witnessed coming together of many historians to support or reject the idea of the 'general crisis'. An interesting explanation was provided by J.V. Polisensky, who tried to establish connection between the Thirty Years' War (1618-1648) and the seventeenth century crisis and saw them both as the conflict of opposite political and cultural societies — one Protestant that was liberal, and the other Catholic that was absolutist in character.

Another important contributor to the debate on the seventeenth century crisis came from Niels Steensgaard. He provided an alternative thesis that connected the economic and political by highlighting the impact of increasing taxation and expanding state structure. This impoverished the population and pushed the people to the margins of subsistence. It created an economic crisis that was as much a crisis of production as distribution. He suggested that the period from 1500 to 1700 experienced extended instability beginning with early sixteenth century.

In recent years, the thesis of the seventeenth century crisis is generally accepted by the scholars of early modern Europe but its scope has been broadened.

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### 1.3 ORIGINS OF THE CRISIS

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Each historian has different opinion regarding the date and intensity of the crisis as it varied from one region to another. The general view on the subject is that European crisis actually developed during the first half of the seventeenth century. Some contemporary scholars provide long list of revolts and upheavals that caused a crisis of urban economy and trade and led to economic depression, loss of population, social unrest and large-scale wars. The period of the Eighty Years' War [1582 -1662] experienced widespread uprisings throughout the Netherlands against the Spanish rule. It had impact on other parts of Europe. The Thirty Years' War (1618-1648) had caused havoc in several states of Central Europe as well as in France and Spain. France also witnessed a series of revolts and uprisings beginning in the Aquitaine province against the rise of *gabelle* (salt) tax. The widespread peasant uprisings between 1590s and 1620s, *Nu Pieds* (1637), and the intermittent *Croquant* peasant revolts throughout the seventeenth century created serious problems for the French rulers. *Nu-pied* revolt was an anti-fiscal rebellion in Normandy and another one in Périgieux where over 30,000 armed peasants revolted not against the ruler of France but mostly against the tax officials. Frondes (1647-1652) was a major socio-political movement that clearly revealed the prevalence of deep social crisis in France. The Fronde rebels were opposed to the growing powers of the absolute rulers of France by strengthening the powers of the *Parlements* and make it a sovereign body. However, the revolt failed and subsequently, the Bourbon dynasty not only recovered their ground but the royal absolutism under Louis XIV was further strengthened. It was around the same time, England was involved in a civil War (1642-49) where the Stuart ruler, Charles I was executed by the supporters of Parliament. The political experiments continued till 1660 but the political issues could not be resolved till the Revolution of 1688-89. Boris Porchnev describes the Fronde revolt of France as a variant of the English bourgeois revolution of 1640s and a prologue of the French Revolution of 1789.

There were more revolts in the Mediterranean region at the same time. These included the revolts of Catalonia, Naples and Portugal which created crisis in the Spanish empire. The peasant revolt in 1640s spread across Barcelona in Spain, driving out the Castilians and killing the Viceroy. The revolt in Naples in Italy (in July, 1647) was the direct outcome of food shortage, heavy taxation and administrative inefficiency. For a brief period, Naples had become a republic under the leadership of Masaniello and enjoying French protection. However, the Spanish ruler re-conquered it. Some other parts of Europe too faced scattered uprisings like Swiss peasant uprising (1653), Ukrainian revolts (1648-54), Russian revolts (1672), Kurucz movements in Hungary, Irish Revolts (1641 and 1689) and the Palace revolution in the United Provinces of the Netherlands. A cluster of these revolutionary upheavals, political and social protests make several writers believe that there was some widespread crisis in Europe that had different time of their origins but they also reflect some commonness.

### Check Your Progress 1

- 1) Explain why the crisis of the seventeenth century is called the general crises?

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- 2) Discuss the origins of the crisis.

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## 1.4 EXTENT OF THE CRISIS

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The crisis had different dimensions, some of which we will discuss in the following sub-sections.

### 1.4.1 Demographic Crisis

The population of Europe had an impressive growth by the end of the sixteenth century; the growth was checked in many parts. While some regions experienced stagnation, in others places, the growth rate slowed down. It is true, the population figures are not accurate and are impressionistic depending on each historian's calculation, the available data on population indicates a downward trend in many parts of Europe, except for a few regions in northern Europe such as the Netherlands, Norway and Sweden. The Thirty Years' War had disastrous impact on the German population, where the losses were as much as 35 to 40 per cent. The densely populated states like Saxony, Brandenburg and Bavaria lost almost

half their population. Poland too, witnessed a similar trend. The Spanish population fell from 70,68,000 to 50,25,000 between 1587 to 1650.

The population of southern Europe declined quite sharply during the seventeenth century. In 1700, it was less than that of 1600. On the other hand, situation was different in some other parts of Europe where the population increased swiftly in northern Europe including the Low Countries and England. Even here, the rate of growth slowed down during the second half of the seventeenth century.

What led to the decline of population in the seventeenth century is explained differently by the historians. Peter Kriedte suggests that the demographic decline was the result of Malthusian and social crisis. Thomas R. Malthus, a British economist of the eighteenth century had explained that in a natural economy (that Europe had in most parts except northern Europe) population grows at geometrical rate while the production of the natural economy increases by arithmetic proportion. This creates periodic crisis which is resolved after the loss of population when production and population ratio is restored.

The demographic crisis had long-term consequences, including on family life, birth patterns, on food habits and on the age of marriage. At the same time, one should remember that since the extent of demographic changes was not uniform, its impact varied according to the rise or decrease of population.

#### 1.4.2 Agrarian Crisis

Agricultural condition depended to a large extent on population and technological factors. European agriculture showed signs of contraction and growth alternatively for the past centuries. It is difficult to present an accurate picture of the European agriculture in the absence of reliable data. We know more about the French agriculture of the medieval times, thanks to the in-depth studies of the French *Annales* writings of Pierre Goubert, Immanuel le Roy Ladurie, Jaque le Goff, etc. A noteworthy contribution on feudalism came from the pen of Marc Bloch in two volumes on 'Feudalism'. Fernand Braudel's classical work brings out the agrarian weaknesses of the Mediterranean region. Poor land, soil deficiency, and hilly tracts prevented cultivation of food crops. This region produced citrus fruits and encouraged sheep farming. The growing population during the sixteenth century at many places resulted in fragmentation of land holdings. Absence of technological innovation meant increasing food production through land reclamation and deforestation. During the seventeenth century, European agriculture at many places showed signs of exhaustion. In central, eastern and southern Europe feudal system dominated. In the case of France, agrarian decline was not pronounced but there was growing pressure on agriculture imposed by state authorities. To ensure its fiscal interests, the French monarchs protected the small peasants of their tiny landholdings against feudal landlords but this policy resulted in long-term agrarian stagnation. State exploited the peasants by raising taxes like *taille* to meet the vast administrative structure and bear the financial burden of continental wars. The nobility too compelled the peasants to pay heavy taxes that impoverished peasantry and checked agriculture investment or improved technology. France faced a crisis of productivity and consequently, the French agriculture could not transform itself on the capitalist line as had happened in England.

The index of grain prices in France declined from 100 in 1625 -50 to 1681-90 , while in Poland, the grain prices declined from 100 index points in 1580 to about 87 in 1650 [Peter Kriedte] . The Swedish- Polish War resulted in further destruction of agriculture. In Germany and Austria, declining trend in agriculture was visible. The declining ground rents brought down the prices of property and there was no incentive to invest in agricultural property. On the other hand, the prices continued to rise from 1601-10 level in England (1147), Belgium (150) and Austria (118) per cent. The cereal price in western and central Europe remained high till the middle of the seventeenth century, but in western and northern parts of Europe, the boom continued but in Germany, agriculture collapsed due to the thirty years' war. In certain areas like Brabant, Flanders, Zealand etc, grain prices fell and grain was replaced by crops like flax, hops and rape seed. The seventeenth century crisis widened the gap between the eastern and western and northern and southern zones of Europe. While eastern and central-eastern Europe witnessed an extension and tightening of serfdom, England and the Netherlands saw the breakdown of capitalism and agriculture began to move in the capitalism direction. Forage crops like clover and Turnip were popularized. Crop rotation was introduced on a large scale and alternative crops were grown to increase soil fertility. Thus, we find partial dislocation of the old types of communal holdings in the north-western regions of Europe.

### 1.4.3 Monetary Crisis

Some scholars, less theoretically motivated than the Marxists, concentrate on the data of price trend to explain the seventeenth century crisis. Earl J. Hamilton and Pierre Channu bring out the role of Seville (the famous Spanish port) and the Atlantic trade leading to financial crisis. According to this view, declining supply of money and the failure to finance the Atlantic trade caused the crisis. The frequent debasement of coinage throughout the sixteenth and seventeenth centuries indicate an acute scarcity of currency. It was temporarily solved by the bullion imports from the 'New World'. The economic growth of the sixteenth century began to slow down once the quantity of silver imports to Europe was reduced. Hamilton considers monetary factors related to the bullion imports the main reason for the crisis. He worked out a detailed table of silver imports that reached peak in 1620 and then declined sharply. This caused decline in the money in circulation. Hamilton argues that an upward movement of prices would result in surplus profit and greater investment in business and industry, while the declining circulation of money results in reduced profit margin and dis-investment from manufacturing and commercial fields. Hamilton believes that the latter condition prevailed in the seventeenth century. Ruggiero Romano argues that the first forty years of the century experienced constant and at times sharp contraction in the issue of money. For him, the crucial years were between 1619 and 1622. Romano contends that the minting of coins suffered contraction causing shortage of monetary stock. Despite falling prices, there was considerable expansion in credit. He argues that the prices should not be seen in isolation because money, prices, exchange and banking were essential facts of production and distribution. Prices should not be seen in isolation. They act like thermometer to gauge trends in trade, revenue and production. Prices alone can hardly explain the intricate economic situation because the economic reality was too complicated.

While discussing the nature of the crisis, Jan de Vries does not subscribe to the view that the European economy grew or fell along the flow of precious metals

from the 'New World'. Yet, he concedes that the monetary instability played a definite role in short-term cycles, particularly the one in 1619-22. There are several other writers who reject Hamilton's arguments. They provide counter argument that the American silver did not stay in Europe and was re-exported via Levant to India and China. So the silver import to Europe had virtually no role in the creation of crisis.

#### 1.4.4 Climatic Factors

*Annales* writers present the seventeenth century crisis in an interesting way. The crisis is seen by them as a 'subsistence' crisis forming a part of *conjuncture* (a crisis located not in the structure but caused by coming together of many short and long-term factors) broadly forming a part of economic domain. To the *Annales* writers, the crisis of the seventeenth century involved joining together of conjunctural factors like crop failure, grain prices, heavy taxation, epidemics and climatic factors along with population, land tenures, etc. These resulted in widespread peasant uprisings, agrarian crisis, shrinking trade and decline in capital investments. The impact was more devastating since the production was based on limited technology. *Annales* writings highlight the role of climatic factors. Not only historians but even solar physicists, geologists, meteorologists — they all carried out an inter-disciplinary study to understand the nature and extent of the seventeenth century crisis. Geoffrey Parker explains the contribution of astronomical studies in locating the non-human factors in this crisis. Some scientists describe this period as 'the Little Ice Age'. A. E. Douglass, a leading European astronomer, in his diary noted a sharp decline of sun spots between 1645 and 1715 with intermittent spells of normal phases. G. D. Cassini, the Director of Paris Observatory, also observed in 1676 with regard to *aurora borealis* (The Northern Lights caused by particles from the sun entering earth's atmosphere). Similar observations were made by the scientists of Scandinavia and Scotland. Declining solar energy causes an increase of carbon-14 in atmosphere. It is a condition most harmful for living organisms.

A study of dendrochronological evidence (study of tree rings inside the tree trunk) was corroborated with the records of vineyards, particularly in France. It found that the tree lines were deeper and thick during these years- phenomena associated with wet weather conditions in summer and acute winters. Another significant change was about the lowering of snow line that resulted in the decrease of cultivable area. This also had bearing on the decreasing volume of river water and the ripening of food grains. All these factors played a cumulative role in the making of general crisis.

#### 1.4.5 Economic Crisis

Europe had a wide range of economy that was uneven and functioned at different levels during the sixteenth century — a period of growth and expansion in agriculture, manufacturing and trade. On the nature and extent of the crisis, historians have come out with different explanations. Fernand Braudel, J.I. Israel, Domeico Sella, etc. support the view of Hobsbawm who argues that the crisis was basically a complete economic regression but its outcome varied according to regional variations. Like other Marxists writers, he calls it the crisis of production that affected trade, commerce and manufacturing.



There are scholars who suggest that the economic setbacks were not of uniform pattern. During the crisis, a few industrial centres witnessed fundamental transformation. While some centres lost their earlier dominance like Venice, Florence, Antwerp, some others rapidly progressed towards capitalist organization. Most of the regions in Germany, Mediterranean state and southern France experienced sharp decline. Within each region, a few alternative centres of production emerged—decline of Florence in Italy was followed by the rise of textile industry in Prato and Sienna. In the north-western Europe, decline of Antwerp was followed by the rise of Amsterdam. Cloth manufacturing in Europe underwent significant changes, Textile industry functioned within the artisan form of production. Most historians agree that the Italian cloth virtually disappeared from the world of international trade. The Flemish wool industry went into long-term contraction. Many textile centres of France such as Rouen, Amiens also declined or stagnated. However, the textile sector in England and Holland experienced distinct growth in the sixteenth century and continued even in the seventeenth century. Leiden emerged as one of the leading centres of industry where the population grew from about 12,00 in 1582 to almost 70,000 by mid-seventeenth century. The rise of new draperies led to the English domination of the markets of Iberian Peninsula and the Mediterranean. The other regions could not compete with the English products because of price advantage. The destruction of the traditional textile centres caused socio-economic dislocation and unemployment of artisans. It is estimated that the number of weavers in woolen textiles had come down by 1700 to hardly 10 per cent of what was a century back. The Spanish shipbuilding industry had started declining from the last decade of the sixteenth century. During this period, the Dutch (Holland) shipping industry developed very fast and became the carrier of international cargo. The emergence of the colonial empire encouraged the growth of the commercial fleet, which increased thrice between 1629 and 1686. Holland also became the hub of commercial activities including banking, insurance and stock exchange. Romano points out that the sixteenth century industrial and commercial expansion in Europe was supported by agricultural prosperity. The setback in the seventeenth century was largely linked to the agricultural crisis. Two important trading zones of pre-sixteenth century were the Mediterranean and the Levant. During the seventeenth century, the former no longer supplied bulk manufactured items while the Levant trade suffered with the opening of new routes to Asia.

During the sixteenth century, European economy tried to break the medieval traditional structure to reach the capitalist mode of production. In most parts of Europe, the feudal social framework resisted that change. The seventeenth century crisis is seen by the Marxist historians, including Hobsbawm as the manifestation of the feudal crisis existing in the mode of production spreading across the European economy. The old structure did not allow sustained growth beyond a point. According to Hobsbawm, the crisis demonstrated Europe's failure to overcome the obstacles created by the feudal structure to reach the stage of capitalism. The crisis was resolved in different ways by different societies. The solution to the crisis could be found only in the English bourgeois revolution of 1640s. It was only in England where the forces of capitalism could triumph and the old structure was destroyed and a new economic order was created.

**Check Your Progress 2**

1) How do the population figures suggest the magnitude of crisis?

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2) What was the significance of agrarian trouble in creating the crisis of the seventeenth century?

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3) What was the extent of economic crisis?

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**1.5 THE THIRTY YEARS WAR (1618-1648) AND THE CRISIS**

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Josef Polinsky suggests that the Thirty Years War was an integral part of the crisis, at least of Central Europe, and showed the culmination of internal contradiction in the structure of the society that violently impacted the economic, social and cultural relations.

Causes: Historians initially viewed it as the last religious war between the Catholics and the Protestants originating in Germany. Now it is accepted that the trouble started in the German Kingdom of Bohemia which was a part of the Holy Roman Empire. It held an important place in the Empire as it contributed heavy material and manpower. It had a large number of textile and glassware industries besides iron, silver and copper mines. Bohemia was one of the centres of Religious conflicts even before Martin Luther. The religious conflict assumed political colour when outside states fought for the cause of the Catholics and the Protestant states supported the Protestants. This turned into a dynastic and religious war led by Spain and France and Netherlands. This shows that it was not a war between the Catholics (both Spain and France were Catholic powers fighting against each other) and the Protestants.

An alternative explanation sees the war as a war between the two major empires (Spain and France) to control Europe. Many historians see the war as a struggle between two powerful dynasties of Europe-the Habsburg of Spain and the Valois of France for the hegemony of Europe.

A few historians like C.V. Wedgwood provide a German approach. For them, the war was sparked off by a number of revolts against the Habsburg rule of the Holy Roman Empire in various parts of Europe. Over half a century of religious and constitutional disputes led to the formation of two rival groups in Germany.

J. V. Polisensky focuses on internal forces in an excessively German approach on Bohemia. According to him, the conflict was a political one and emerged from the policies of the old ruling classes in various regions of Europe but the crisis had deep economic roots.

The Thirty Years War ended with the Treaty of Westphalia which formed an extremely important document. It altered the political map of central Europe. This was the most destructive war that shifted its terrain at short intervals. The war marked a new form of territorial wars- a transition from men-based offensive to dependence on firepower including artillery and volley strikes. Thus, the subsequent wars became more offensive in nature.

The war led to a long-term peace between the Catholics and the Protestants. The latter were given back church properties that were seized and the supporters of Calvin were given religious toleration. The Protestant leadership in Germany passed from the hands of Saxony to Prussia-Brandenburg.

The most important result of the war was the disintegration of the Holy Roman Empire. The weakening of the Empire implied the consolidation of the larger German states like Palatine, Bavaria, Saxony and Brandenburg. It led to the rise of northern Germany as a major military power to counter-balance the traditional power of Austria in the southern Germany.

Historians have divided opinion about the socio-economic impact of the war. One set of historians (called the 'Disastrous war school') argue that the war had disastrous consequences and marked the decline of Germany, while the set of writers (called the Revisionist School) suggest that the impact has been highly exaggerated and the decline of Germany was not caused by war alone and had started much earlier.

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## **1.6 MEDITERRANEAN COUNTRIES AND THE SEVENTEENTH CENTURY CRISIS**

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Spain and Italy, according to Fernand Braudel, constituted a common economic and geographical zone that dominated the European trade till the sixteenth century when most of Europe was still feudal.

### **1.6.1 Decline of Spain**

Spain possessed a vast and most powerful empire in and outside Europe. The extensive colonial possessions across the Atlantic Ocean provided enormous wealth, including silver and gold. The long distance trade across the ocean promoted the Spanish navy and shipping industry. The Spanish possessions under

the Habsburg dynasty in Europe included the Netherlands, Austria and some German and Italian states. Spain appeared to be at the pinnacle of glory during the sixteenth century but in the seventeenth century it had become a second-rate power. The decline of Spain constitutes an interesting debate among the scholars and focused on the internal versus the external factors that were responsible for the decline.

A group of seventeenth century writers in Spain called *Arbitristas* were the first to present a picture of Spanish decline. They were warning the Spanish rulers of the impending troubles and suggested a drastic change of state policies. Historians of the twentieth century more or less agree on the Spanish decline during the seventeenth century but there is no unanimity on various questions regarding the actual reasons of decline.

As to the precise period of decline, we find no unanimous answer. Each historian has a different view on it. According to one view, the period of expansion lasted till about 1550s and thereafter the decline set in. It reached culmination point in 1640s. Another view suggests that the decline started in the 1620s but certainly not earlier than 1598.

On the issue of the nature of decline, again there is no unanimity of opinion. According to J. H. Elliott, the Spanish decline should not be seen in isolation. Most of the seventeenth century in Europe experienced a period of commercial contraction and demographic fall or stagnation varying according to regions. For him, certain features of decline were universal and not confined to Spain. He also argues that the decline was not as dramatic as presented by earlier writers because even in the seventeenth century, Spain was still the largest military power. Henry Kamen and Carlo M. Cipolla refute the decline thesis because for them Spain never developed to begin with. Spain's economic development was hindered over centuries by fundamental weaknesses.

Another question that has been raised by scholars is whether the decline was of entire Spain or was it confined to some specific regions like that of Castile. Many historians suggest that the decline was of only a few states of Spain. For J. I. Israel, in the state of Valencia, there were distinct signs of growth and expansion in the sixteenth century followed by stagnation and decline as was the case of Castile, the biggest state of Spain. Henry Kamen points out that Catalonia witnessed distinct developments during the same period. For Kamen, it was the decline of Castile and not of entire Spain.

Reasons for the decline have been explained differently by the historians on the subject. Among the earliest explanations on the Spanish Crisis during the seventeenth century was provided by Earl J. Hamilton. He argued that the major role in the crisis was silver import from the New World. So long as the silver supply to Spain was increasing, the Spanish economy was well-off but from 1620s, the supply witnessed a downward graph and the decline set in. According to Hamilton, huge quantity of gold and silver from Central America created an illusion of prosperity in Spain. It provided fund for waging foreign wars, massive army, lavish spending by the court, elaborate bureaucracy, wasteful expenditure and an attitude of aversion to manual work in the society. All this led to all-pervasive crisis in Spain when the silver supply decreased. Another historian, Dennis O. Flynn argues that mining profits rather than the volume of silver trade financed the Spanish empire. However, the cost of running the mines continued

to increase leading to a recession in mining by 1620s. Over-dependence of the Spanish state and society on influx of American treasure created a crisis situation but the role of silver was only one factor among many.

Some scholars hold the Spanish society responsible for the decline of Spain. It is suggested that the Spanish society lacked a strong middle class despite a vast colonial empire. The huge influx of precious metals could have led to vast economic expansion of Spain but the opportunity was squandered. Neither the bullion was utilised for industrial development nor was there a rise of powerful class of merchants and businessmen. Unlike the English gentry which showed keen interest in higher agrarian productivity and participated in market operations, the Spanish society revealed contempt for trade and industry.

Most historians suggest that the Spanish decline was mainly caused by economic factors and hastened by politico-social factors. The decline becomes apparent in demographic figures. Though this was not confined to Spain alone and can be found in many parts, particularly in southern and east-central parts of the continent. Equally significant contributory factor in the Spanish decline was the state policy towards agriculture. Several scholars have blamed the state policies for the neglect of agriculture. Fernand Braudel and some other historians point out the shortcomings in the Spanish policy towards agriculture. The state policy favoured sheep farmers by giving them subsidies and monopolies instead of promoting land cultivation which created shortage of corn. The Spanish rulers neither pursued consistent policy towards agriculture nor did they offer anything to the rural farmers.

Historians have divergent views on the industrial condition in Spain. Spain often experienced labour shortages but it is not certain whether it caused industrial decline or de-industrialization. The Spanish woollen industry had grown due to the state policy towards sheep farmers. After 1580, the woollen industry showed declining trend at several manufacturing centres like Segovia, Toledo. In Segovia, cloth manufacturing declined from about 13,000 pieces annually during the last quarter of the sixteenth century to about 3,000 pieces by mid-seventeenth century. The Spanish wool was used for the coarser variety but was gradually manufactured by the Dutch and the English. Ship-building industry of Spain at Basque had grown during the sixteenth century mainly due to the Latin American demand but the Spanish ships could not meet the growing American demand. The destruction of the Spanish armada in 1588 caused rapid decline including the one at Basque. Even the iron manufacturing faced stiff challenge from Sweden. However, those industries such as paper, leather ware experienced modest prosperity. The huge volume of bullion from America failed to revive the Spanish industries. The economy fell into debt trap that became worse with unrealistic expansion of the bureaucratic structure and heavy army expenditure.

Reasons for the decline have been explained differently by the historians on the subject. Among the earliest explanations on the Spanish Crisis during the seventeenth century was provided by Earl J. Hamilton. He argued that the major role in the crisis was silver import from the New World. So long as the silver supply to Spain was increasing, the Spanish economy was well-off but from 1620s, the supply witnessed a downward graph, the decline set in. Dennis O. Flynn argues that mining profits rather than the volume of silver trade financed the Spanish empire. However, the cost of running the mines continued to increase leading to a recession in mining by 1620s. Over-dependence of the Spanish state

and society on influx of American treasure created a crisis situation but the role of silver was only one factor among many.

### 1.6.2 Decline of Italian States

Italian economy with its woollen and silk textiles, large concentration of population involved in manufacturing, brisk trade and urban centres created contrasts in income distribution. The economic prosperity of this region began to show signs of decline in the sixteenth century itself.

The decline of the Italian region is evident from the demographic trends. The population began to shrink till the late seventeenth century. This trend was not the same in every region but the overall picture was of demographic fall. On the other hand, states like Sardinia and Genoa experienced population growth in the first half of the seventeenth century. Many factors were responsible for the demographic decline such as famines, plague and epidemics and wars across the region. These had disastrous effect on the urban centres. Higher density of population in the urban regions made them susceptible to epidemics. Although these were short-term factors, they affected economic sphere of the Italian states by restricting markets, production and trade and had serious bearing on the neighbouring states. It led to a major crisis of urban economy and pushed Italian states towards feudalism. Merchant bankers started shifting their capital to safer places outside Italy.

The case of Italian decline is more complicated than that of Spain for a number of reasons. Spain was a vast political empire ruled by an Emperor with a distinct boundary but was economically not so strong as Italy despite possessing rich colonies. Italy was not a single state, rather a geographical region with several independent states with their own rulers (like Florence, Venetia, Piedmont, Milan, Naples, Sicily Papal states, etc). Some of the city-states of northern Italy such as Venice and Florence were prosperous economies and had flourishing network of trade, large fleet of ships and shipyards, countless manufacturing units and concentration of population associated with trading and manufacturing activities. Trade and industry was organized on a pre-capitalist structure when most of Europe had sunk into feudal mode. Italian states had reached an advanced level of economic structure and they had been handling exchange and production through commercial instruments – trading companies like *commendas*, *societas*, which were in the nature of partnerships, banks and commercial instruments like promissory notes, bills of exchange and insurance. In the sixteenth century, Italian states constituted an urban region with heavy concentration of population in towns and cities, unlike Spain which had a large rural population with a few scattered towns and cities.

Venice was a major mercantile power for most part of the sixteenth century and controlled the trade of Mediterranean Sea. When the neighbouring states were experiencing industrial decline, the Venetian silk and woollen industries showed expansion. The spread of plague of 1575-77 hit the industries sharply. It is estimated that nearly one-third of the population perished. Milan's population was reduced by almost half due to plague of 1630-31. But it would be wrong to put the entire blame of decline only on natural calamities. The economic decline had set in from the sixteenth century itself when the Italian city-states were losing their control on international markets. Italy lacked rich natural resources and the prosperity of the states was dependent on manufacturing industries and foreign

trade. The recovery after each natural calamity or war could not be complete and the loss of exports affected the Italian fortunes. The Italian textiles were undermined by the English, the Dutch and to a lesser extent, by the French, who offered their textiles at much lower rates. According to Braudel, the most dramatic problem between 1590 and 1630 Italian industry faced was competition from the low-priced industrial goods from the northern countries.

In the absence of political and geographical unity and varied geographical features, it is difficult to present a uniform picture of the Italian agriculture. The urban centres of the north were generally importers of food grains due to limited arable land, low yields in the absence of technology and heavy density of population who were putting heavy pressure on agriculture. The northern were states usually heavy importers of food grain while the southern states produced agrarian products, the surplus of which was exported to the neighbouring states. There were mountainous region too that received scanty rainfall. There was hardly any improvement of technology in such regions. The main centres of intensive agriculture in northern plains included Venetia, Lombardy, Piedmont, etc. during the sixteenth century were known for producing foodstuff, raw silk, dyestuff and fruits. Agriculture in this region prospered on high urban demand. Natural calamities like the spread of plague, famine, wars and population losses affected industries which in turn reduced demand for agrarian products. The southern states experienced a similar trend and the deterioration of agriculture was apparent by the seventeenth century. Thus, Italy was on the path of decline that lasted more than three centuries.

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## 1.7 IMPACT OF THE SEVENTEENTH CENTURY CRISIS

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The seventeenth century crisis had far-reaching consequences on Europe, though the impact was far from uniform. On the one side the crisis created conditions for expansion by clearing away tensions within the productive sectors by restoring balance between population and food supplies. On the other side, it re-enforced feudal grip over a large European population.

From the demographic point of view, the crisis resulted in heavy mortality in some parts of the continent. Military conflicts were one of the chief factors in population decline. Constant wars were accompanied by natural disasters like plague, epidemics and famines which disrupted social life in many regions. The most catastrophic demographical reversal could be seen in Central Europe as most of the battles of Thirty Years War were fought there. These losses varied from 25 to 40%. Poland suffered the same fate. Even Denmark lost about 20% of the total population in the Danish-Sweden War (1658-1669). Italian urban population was lost for various reasons. Demographic losses were more in the urban centres and caused widespread dislocation of trade and industry. It took almost half a century to overcome these losses.

An important post-crisis development was the shifting of economically active region from the continental states towards north-west countries along the Atlantic. The gap between the eastern and western regions had already developed during the sixteenth century but it widened further in the seventeenth century. The rich trans-Atlantic trade contributed to the industrial and commercial prosperity of Western Europe. The two countries-the Netherlands and England gained

immensely from the influx of skilled artisans from Flanders. The French Huguenots (Protestants) also contributed to the paper and glass industry of England. The role of merchants expanded enormously and they organized extensive network of production and procurement for distant markets.

The rise of rural cottage industry had already started in England and the Netherlands. This displacement of urban manufacturing, also called proto-industrialization, gained popularity in western and some parts of central Europe. This marked the first phase of industrialization. The merchants and entrepreneurs dealt with the crisis in a variety of ways. The falling prices and the rising labour costs under the guild system in urban manufacturing centres turned them to cheaper rural labour by larger turnovers. This resulted in the manufacturing of inexpensive draperies in place of expensive cloth. Another method of increasing profits by the merchants and entrepreneurs was to increase the volume of trade with the newly created colonies through the chartered companies to compensate for the reducing colonial demand. By the end of the seventeenth century, woollen, linen, cotton and blended cloth was being produced in the rural regions of England, Low Countries, France, and Switzerland and even in Germany. As a result, the urban manufacturing units and guilds were losing out to rural cottage industry.

The crisis of the seventeenth century led to the strengthening of serfdom as it could not break the feudal structure. The weak bourgeoisie could not challenge the feudal nobility and replace it. The political disunity and breakdown of political states strengthened the powers of rural nobility. The feudal lords were able to enserf the peasants and also controlled the trade of their respective regions. It was from them that Junker class of the nineteenth century was formed. As T. K. Rabb says, the period from about 1660s to 1789 was the age of aristocracy. They became the landowners and courtiers and enjoyed powers and privileges.

From political perspective, economic disruptions, military operations and population losses caused severe strain on the governmental resources. Common people were put under heavy burden of taxation. The French crown became very strong with additional financial resources by way of fresh taxation. During the Thirty years War, the *taille* (tax on peasants' produce) increased six times. The failure of the Fronde revolt strengthened royal powers at the cost of nobility. In England, the overthrow of the feudal monarchy by the rising bourgeoisie and the new landed gentry paved the way for the establishment of constitutional monarchy and representative parliament. It facilitated the route to capitalism in England along with the Dutch republic.

**Check Your Progress 3**

- 1) Discuss the decline of Spain in this period.

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2) What was the overall impact of this crisis on Europe?

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## 1.8 LET US SUM UP

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In this Unit, we have taken a comparative view of the sixteenth and the seventeenth centuries to understand how and why the seventeenth century took a different turn to move away from the period of overall growth and prosperity to economic contraction, political and social dislocation and demographic decline in many parts of Europe. We have tried to analyse why the seventeenth century is termed as the period of 'general crisis'. An interesting debate has taken place since 1950s among the historians in support or against the use of this term. This is considered one of the most debated subjects of the European history. We have explored the theme whether the experience of each country followed a separate and distinct pattern of change or was it a part of general experience of Europe. We have also looked into whether it was a political or an economic crisis.

While studying the origins of the crisis, we have noticed that during the same chronological time span, widespread conflicts, political revolts, demographic catastrophe, economic and monetary difficulties were felt to make this century a period a general crisis.

The extent of the crisis provide a wide range of fields like demography, monetary, agrarian, economic and climatic factors which shaped the historical passage of Europe in opposite directions. We have also tried to show how the Thirty Years' War contributed to the crisis situation, though its geographical terrain was confined to central and Eastern Europe. The progress and historical progress of the Mediterranean zone had received a jolt. The crisis ended the commercial and mercantile domination of Spain and Italy. This trend already prevailed in the sixteenth century but by the seventeenth century, the Atlantic countries like Holland and England and western coast of France became the core commercial zone.

The last segment of the Unit brings out the impact of the crisis. The same crisis resulted in the triumph of capitalism in north-western region but in Eastern Europe the feudal structure defeated the capitalist forces. It led to re-feudalization of the social relations of production in central and Eastern Europe. The crisis widened the economic contrast between the western and eastern as well as north and south Europe.

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## 1.9 ANSWERS TO CHECK YOUR PROGRESS EXERCISES

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### Check Your Progress 1

- 1) See Section 1.2
- 2) See Section 1.3

### Check Your Progress 2

- 1) See Sub-section 1.4.1
- 2) See Sub-section 1.4.2
- 3) See Sub-section 1.4.5

### Check Your Progress 3

- 1) See Sub-section 1.6.1
- 2) See Section 1.7



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