

## Would the Real Pioneers Please Stand up?

*Confronting the Ambiguous Narrative of the Dutch Sonderweg in the Late Middle Ages*

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In *Pioneers of Capitalism*, Maarten Prak and Jan Luiten van Zanden construct a masterful narrative of the Dutch economy in premodern times, which will undoubtedly remain a standard in the field for decades to come. The overview is comprehensive and backed with plenty of data yet very readable, making it a perfect entry for both experts and non-experts. While this study is an achievement in its own right, Prak and Van Zanden bring the synthesis to new heights by engaging in the complex debate on capitalism. Given the growing distrust in capitalist economies following the Global Financial Crisis (2007-2008) and the ongoing Cost of Living Crisis (since 2021), the publication is timely and may provide a counterweight to the prevailing feeling of fatalism. Through the Dutch case, the authors show that capitalism can also have sustained positive effects whenever this mode of production is combined with a strong civil society. Institutions of cooperation, such as guilds or representative bodies, may serve as a check on the pursuit of unlimited profit. In this sense, Prak and Van Zanden provide a more nuanced perspective to the public debate with a clear message to policymakers.

Two questions are central to the book: why was the Netherlands one of the pioneers of capitalism, and what was its impact on Dutch society? While the other contributions in this issue focus primarily on the latter question, I will concentrate my reflections on the former. Much to their credit, the authors do not fixate on the Dutch Golden Age, when bourgeoisie accumulation became prominent, but uncover instead the long history of the underlying institutions and traditions

that enabled such a capitalist economy. While some foundations can be traced back to the high Middle Ages, Prak and Van Zanden identify the late Middle Ages as the period of transition. Between 1350 and 1500, Dutch society moved from a feudal economy of land-owning farmers to a market-oriented economy based on wage workers in industry and services. Thanks to the strong development of capital, land, and labor markets, the Netherlands skyrocketed from a marginal region in Europe to one of the most prosperous economies within a century and a half.

Why did such a fundamental shift occur at this moment in time and place? Why did a capitalist society emerge in the Netherlands as early as 1500, much earlier than elsewhere? Luckily, the authors provide a clear-cut answer: “[t]he cause of this Dutch *Sonderweg* has to be sought in the way in which its society and economy reacted to two external shocks: the Black Death of 1348 and the environmental crisis of the late fourteenth and, especially, fifteenth centuries” (p. 63). They devote the entirety of chapter 4 to exploring both issues and developing a compelling story about the emergence of capitalism. However, upon closer inspection, the argument falls short of explaining this Dutch exceptionalism because it is both too general and too specific at the same time. This ambiguity stems from the heavy focus on the province of Holland as the unit of analysis rather than the Netherlands or, even more broadly, the North Sea region as a whole. Ultimately, the reader is left wondering how representative the Holland case is and to what extent (other forms of) capitalism proliferated in societies outside this core region. The remainder of this contribution therefore examines evolutions in other parts of the Low Countries. Although necessarily superficial within the limits of a review, it may serve as a stepping stone for further reflection on the different paths toward capitalism and its varying expressions in the past.

Throughout the book, Prak and Van Zanden use the words “Dutch (Republic)”, “(Western) Netherlands”, “(Northern) Low Countries” and “Holland” often interchangeably when talking about the pioneering capitalist society. This variation is a reflection of the plethora of labels that have been applied to the region as a result of its ever-evolving political landscape. Although the authors make a clear distinction between the sometimes subtle differences of the geographical terms in the introduction (pp. 12-13), it is not always rigorously applied in the subsequent chapters. For example, on page 205 the authors discuss the persistent “growth of the Dutch economy” and conclude two sentences later that it “is one of the strongest indications that Holland functioned

as a market economy” (emphasis added). Even more remarkably, the chapter on the birth of Dutch capitalism is entitled “Capitalism and Civil Society in Late Medieval Holland” (emphasis added), whereas other titles refrain from geographical demarcations. Adding to the confusion, the majority of figures and tables with quantitative proxies for the emergence of capitalism pertain only to Holland. They include the crucial data on GDP *per capita*, real wages, and occupational structure. Only two proxies (population figures and book consumption) out of six relate to the whole of the Netherlands, and they are arguably the least informative about the dominant mode of production.

Of course, there are good reasons to focus on the medieval province of Holland. It was the most urbanized region, housed circa a third of all Dutch households, and eventually became the economic powerhouse and political center of the Dutch Republic. It is no surprise that the early roots of capitalism in the Netherlands can be found here. However, if we want to label the entire Dutch population as pioneers, we should establish that the other provinces eventually followed suit. Chapter 4 tells us that this was not the case during the late medieval period. In the eastern Netherlands (i.e., outside Holland and Zeeland), cities “did not develop significant export industries” and “most farmers ... continued to produce primarily for their own use” (pp. 73-74). Dependence on the market remained limited, and farmers held on to the means of production. Strikingly, the following chapters do not explore the issue further. Did capitalism spread from Holland to become the dominant mode of production in the early modern period? The answer seems questionable if we take a look at some of the following figures.

Demographic variables paint a very different picture of the eastern Netherlands. Contrary to the centuries-long increase in the west of the country, urbanization rates in this region declined slowly but steadily throughout the early modern period (from 31.5 percent in 1500 to 25.8 percent in 1800), although regional variations were significant. In absolute numbers, the total population increased by half between 1500 and 1700, whereas it tripled(!) in Holland.<sup>1</sup> To get an impression of the organization of the economy, we can add some information about the occupational structure and the importance of wage labor. For example, in the mid-sixteenth century, 80 percent of households in the Guelders River area were active in the agricultural sector. Admittedly, more than half of rural labor was performed by wage workers, a point to which we

1 Calculated from the figures in Appendix C of R. Paping, ‘General Dutch population development 1400-1850. Cities and countryside’, Paper presented at first ESHD conference, Alghero, Italy, 2014.

shall return later.<sup>2</sup> In late seventeenth-century Drenthe, small peasants dominated the economy, and wage labor was consequently a limited phenomenon, comprising 25 to 30 percent of all work.<sup>3</sup> Census data reveal that more than half the population (around 57-63 percent) in the eastern Netherlands was still active in agriculture by the end of the eighteenth century.<sup>4</sup> The market dependence of households is visible not only in their supply of labor but also in their consumption. The retail ratio (i.e., the number of retailers per 1,000 inhabitants) is often seen as a good proxy for this dependence. Again, large differences between Holland and the other provinces can be observed throughout the early modern period. For example, in settlements of 500 inhabitants, one could have expected to find about seven retailers in Northern Holland versus three in Friesland, one in Gelderland and a metaphorical half in Overijssel.<sup>5</sup>

All these variables seem to point to the exceptional position of Holland. It is unlikely that the type of capitalism that emerged here could be found in many other places in the premodern Netherlands. In fact, some historians have suggested that Holland's dominant position hindered the long-term economic development of other provinces and may explain why the country was relatively late to industrialize.<sup>6</sup> When we look at demography, for example, Holland boomed primarily thanks to migration, given that fertility was low and mortality high. It has been estimated that a third to a half of all its immigrants originated from the surrounding provinces in the seventeenth and eighteenth centuries.<sup>7</sup> As a result, a large share of the surplus labor was absorbed by the center and may have prevented a transition from agriculture to industry and services in the rest of the Republic. This difference in occupational structure, and hence added value per worker, may explain

2 B. van Bavel, 'Rural wage labour in the sixteenth-century Low Countries. An assessment of the importance and nature of wage labour in the countryside of Holland, Guelders and Flanders', *Continuity and Change* 21:1 (2006) 62.

3 B. van Bavel, *Manors and markets. Economy and society in the Low Countries 500-1600* (Oxford 2010) 204.

4 J. de Vries and A. van der Woude. *The first modern economy. Success, failure, and perseverance of the Dutch economy, 1500-1815* (Cambridge 1997) 228.

5 D. van den Heuvel and S. Ogilvie, 'Retail development in the consumer revolution. The Netherlands, c. 1670-c. 1815', *Explorations in Economic History* 50:1 (2013) table 6.

6 D. van den Heuvel and E. van Nederveen Meerkerk, 'Changing occupational structures? The Dutch labour market, c. 1580-1900', Paper presented at World Congress of the International Economic History Association (2006).

7 Excluding migrants from within the province of Holland. Figures based on tables 3 and 4 in J. Lucassen, 'Immigranten in Holland, Een kwantitatieve benadering', *IISH Working Paper Series* 3 (2002).

why the wages of unskilled laborers in the eastern Netherlands failed to converge with those of the western Netherlands over the long term.<sup>8</sup>

The (implicit) focus on Holland is not just a problem of terminology and geography. On a more fundamental level, it has also influenced the way Prak and Van Zanden conceptualize capitalism and explain its emergence. The introduction defines capitalism broadly as a market economy in which a large part of the population does not own the means of production (p.3). However, in the following chapters much emphasis is placed on the importance of the agricultural sector in the occupational structure and the prevalence of wage labor. Certainly, the two variables are good proxies for measuring one type of capitalism, but they fail to capture other types. Strikingly, the authors make no mention of agrarian capitalism – except for a fleeting reference on page 190 – even though the Netherlands has featured prominently in this scholarly debate, including in contributions by Van Zanden himself.<sup>9</sup> Indeed, the Guelders River area is often labelled as the first Dutch region to have transitioned to a capitalist economy. Here, manorial lords leased out most of the land to a few tenants during the late medieval period. Consequently, the majority of households had no access to land and toiled as wage workers on the very large farms producing for the market.<sup>10</sup> Compared to the (proto-)industrial transition in Holland, this agricultural road to capitalism was far more common in premodern Europe (e.g., England, coastal Flanders), though is hardly discussed in the book.

By putting Holland center-stage in the chapter on the emergence of capitalism, the explanatory variables for this evolution are mainly sought within the confines of the province. As we have seen, Prak and Van Zanden point to the interaction between the existing institutions and two external shocks. According to them, the overexploitation of

8 The gap between the eastern and western Netherlands increased from circa 25% to 36% between 1600 and 1800 when wages are measured in silver or in rye. Figures based on tables 3.6 and 3.7 in: C.J. van Bochove, *The economic consequences of the Dutch. Economic integration around the North Sea, 1500-1800* (PhD thesis Utrecht University 2008). I do not agree with the observation of Prak and Van Zanden that “in the course of the seventeenth century the gap in purchasing power between the western and eastern parts of the country continued to shrink (p. 163).” Their data is based on De Vries’s calculation of the percentage of daily wages needed to purchase 2.2 kg of rye bread. However, this trend is heavily influenced by the divergence in pricing policy of both regions. As De Vries remarks: “In the east policy makers sheltered rye bread from these costs and tax increases”, J. De Vries, *The price of bread. Regulating the market in the Dutch Republic* (Cambridge 2019) 347

9 See for example: P. Hoppenbrouwers and J.L. van Zanden (eds), *Peasants into farmers? The transformation of rural economy and society in the Low Countries (Middle ages – 19th century) in light of the Brenner debate* (Turnhout 2001).

10 Van Bavel, *Manors and markets*.



*Illustration 1 The Saint Elizabeth's Day Flood, Master of the St Elizabeth Panels, c. 1490 – c. 1495. Many similarities can be observed between coastal Flanders and Holland, such as the regular threat of floods. The Saint Elizabeth's Day Flood (1421) claimed many lives in both regions. However, reactions and the type of capitalism that emerged as a result were very different. (source: Rijksmuseum – <https://www.rijksmuseum.nl/en/collection/SK-A-3147-A>, <https://www.rijksmuseum.nl/en/collection/SK-A-3147-B>)*

peat lands severely reduced the possibilities for arable farming as water management became expensive and regularly failed. Consequently, households were forced to look for other sources of income. Because purchasing power had increased after the Black Death in northwestern Europe, they had the opportunity to give up subsistence farming in favor of wage labor in the industry and service sector. Grain could be imported relatively cheaply from abroad, given the increased availability of land *per capita* in other regions. The argument is well developed and convincing when applied to Holland. When one looks at the Low Countries or the North Sea region as a whole, however, the explanation seems too general. Many other regions were characterized by similar institutions, experienced similar shocks, and witnessed a profound transformation of their economy. Yet the outcomes were varied, as the following two examples show.

Perhaps coastal Flanders is the most similar to Holland. Before the Black Death, many farmers owned their land, real wages were comparatively high, and institutions of cooperation – such as water boards, guilds, and provincial states – existed. Moreover, market dependency was growing, judging from the rapidly declining interest rates and proliferation of markets. Much as in Holland, farmers reacted to the massive plague mortality by substituting (a substantial

part of the) cereal cultivation for husbandry. Real wages and GDP *per capita* more than doubled.<sup>11</sup> At about the same time, the region faced environmental pressure from storm surges and some arable land was lost to the sea.<sup>12</sup> Despite these similarities, the service sector and (proto-)industry did not witness a boom. It appears that the importance of wage labor declined rather than increased during the following centuries. Here, farmers who lost their access to land did not find many alternative sources of income. Absentee landowners were purchasing ever larger swathes of land and leasing them out. As a result, a highly competitive market emerged with little room for small independent farmers. Like in the Guelders River area, the route of agrarian capitalism was thus taken in the end.<sup>13</sup>

At the other end of the spectrum, we may look at regions where capitalism did not take root. At the beginning of the fourteenth century the Campine area in the duchy of Brabant was a peripheral region in the Low Countries with independent farmers. It was characterized by a strong tradition of cooperation in which the interests of different groups were balanced through the management of the commons. Just as in Holland, the economy underwent significant change after the Black Death, seizing new market opportunities determined by ecological pressure. Farming on the sandy soils, households constantly risked overexploitation and sand drifts. As a result, the arable acreage was limited and alternatives had to be found to accommodate the growing population. The extensive common wastelands allowed farmers to introduce flocks of sheep whose wool could be sold to the nearby cities of Antwerp, Leuven, Mechelen, Brussels, and 's Hertogenbosch. Urbanization increased, thanks to cloth production in the Campine towns of Weert, Turnhout, and Herentals. Yet households never became completely dependent on the market. The extent of the commercialization remained limited and the rural subsistence economy continued to be dominant until the twentieth century.<sup>14</sup>

11 S. Geens, *A Golden Age for labour? Income and wealth before and after the Black Death in the Southern Low Countries and the Republic of Florence (1275-1550)* (PhD thesis Antwerp University 2023).

12 T. Soens, *De spade in de dijk? Waterbeheer en rurale samenleving in de Vlaamse kustvlakte (1280-1580)* (Ghent 2009).

13 T. Soens and E. Thoen, 'The family or the farm. A Sophie's choice? The late medieval crisis in Flanders', in: J. Drendel (ed.), *Crisis in the late Middle Ages. Beyond the Postan-Duby paradigm* (Turnhout 2015).

14 M. De Keyser, *Inclusive commons and the sustainability of peasant communities in the medieval Low Countries* (London 2018).

The above examples raise some questions about the precise drivers of capitalism. The reaction of Holland (and not the Netherlands in its entirety) was certainly unique, but most of the circumstances and institutions identified by Prak and Van Zanden as determining could be found elsewhere. To get a better understanding of the emergence of capitalism, a more comparative approach to the entire North Sea region is needed. For example, the nature of the environmental challenges differed greatly between regions. Both in Holland and coastal Flanders, inundations had a sudden but often reversible impact on the availability of land. In contrast, the threat and impact of sand drifts take much longer to materialize. Recovery of the landscape also takes much longer. Consequently, peasants in the Campine area, as well as in the similar Dutch ecosystems of the Gooi, the Veluwe, and Drenthe, were more reluctant to expand commercial activities. In addition, Holland had a clear advantage in the availability of natural resources. Prak and Van Zanden stress the importance of peat for the first growth phase of Holland (between 1250 and 1300) and see its subsidence as the cause of the environmental crisis in the fourteenth century. Less attention has been given to the role of peat in the development of capitalism. In sixteenth-century Holland, about one-third of all proto-industrial wage labor was related to the exploitation of peat, by far the largest source of employment in the province.<sup>15</sup> The production of vast amounts of cheap fuel was essential to the rapid growth of the Dutch economy.<sup>16</sup> Such a resource was absent from the Campine area and was to a large extent already depleted in coastal Flanders by the fifteenth century.

Even more important than systematic comparisons is looking at the connections between the different regions. Even though the authors acknowledge in the introduction that “the North Sea region as a whole is the relevant unit of analysis for the study of preindustrial growth” (p.20), the workings of this wider economic system and Holland’s place in it are explored only occasionally. Chapter 4 does have a paragraph on the impact of the sixteenth-century boom in the Antwerp market but, strangely enough, the majority of this part is focused on instruments of credit, literacy, and the Reformation in the Netherlands proper. Moreover, the importance of the commercial

15 As measured in man-years of the total wage labour, in: B. van Bavel, ‘Rural wage labour in the sixteenth-century Low Countries. An assessment of the importance and nature of wage labour in the countryside of Holland, Guelders and Flanders’, *Continuity and Change* 21:1 (2006) tables 3 and 7.

16 J.W. de Zeeuw, ‘Peat and the Dutch Golden Age. The historical meaning of energy attainability’, *AAG Bijdragen* 21 (1978) 3-31.



network in the development of the economy of Holland precedes the sixteenth century. For Wim Blockmans, Holland's jump start after the Black Death is linked to the Hanseatic blockades against Flanders. It profited by imitating existing trades in the Low Countries and offering lower production costs at the beginning.<sup>17</sup> Regional connections may also explain why no substantial proto-industry emerged in Coastal Flanders. The push factor of the environmental crisis was accompanied by a clear pull factor from the neighboring countryside and towns of inland Flanders. Here, access to land was easier and opportunities for proto-industry, especially in the linen industry, more abundant. Coastal Flanders was still close enough for laborers to profit from the peak in the demand for seasonal labor during harvest months.<sup>18</sup> In Holland, pull factors from neighboring regions were limited and a solution had to be found within its own economy.

Obviously, it would have been impossible to integrate all these aspects into the book without compromising on the readability and clarity of the argument. Although it could have profited from a clearer geographic focus, *Pioneers of Capitalism* is the result of outstanding scholarship. As is evident from this review, Prak and Van Zanden's discussion on the emergence of capitalism is rich and thought-provoking. I wholeheartedly recommend researchers pick the book up and engage with its different topics. I am convinced that it may reinvigorate the debate on the causes and different expressions of capitalism in the past. Through a systematic approach to the entire North Sea region we may be able to identify the whole spectrum of pioneers of capitalism.

<sup>17</sup> W. Blockmans, 'The economic expansion of Holland and Zeeland in the fourteenth-sixteenth centuries', in: E. Aerts, B. Henau, P. Janssens, and R. Van Uytven (eds), *Studie historica æconomica. Liber amicorum Herman Van der Wee* (Leuven 1993).

<sup>18</sup> Soens and Thoen, 'The family or the farm', 217.

## About the author

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