INTRODUCTION: PROBLEMS, EVIDENCE, AND BACKGROUND

There was once a hungry ass who was standing between two heaps of hay. Each heap was equal in every respect. Because the ass could not decide between the two, he starved to death. This famous story, wrongly attributed to the fourteenth-century philosopher John Buridan, and known as 'Buridan's Ass',[1] was about the difficulty of making moral decisions, but it can also serve as a useful introduction to medieval economic thought.

The Franciscan John Buridan was a scholastic, a product of the University of Paris, primarily a philosopher and a commentator on the works of Aristotle, but also a mathematician and a theologian. During the medieval period most economic ideas were framed by such people. The medieval world was not one of econometrics and global markets, but one of 'theological economy'. Economics as a discrete discipline did not exist, so that, strictly speaking, 'Medieval Economic Thought' is a misnomer. All thought, whether political, philosophical, legal, scientific, or economic would have been regarded as an aspect of theology. This means that much economic thought has to be harvested from theological works, written by scholastics, many of whom were mendicant friars. Not surprisingly, medieval economic ideas are heavily imbued with questions of ethics and morality, with the motives rather than the mechanics of economic life. It was not until the early Renaissance period that people started to reflect on specifically economic topics.

[1] *The Oxford Dictionary of the Christian Church*, 3rd edn, ed. E. A. Livingstone (Oxford, 1997), p. 254.

Economics at its most basic was, and is, concerned with material matters. Economic thought is concerned with all aspects of material resources and goods and with the underlying ideas that regulate their acquisition, consumption, supply, and distribution. In the course of these processes economic relationships are formed, and these are regulated by the society in which they occur and reflect its morality. Scholastic thinkers considered the society in which they lived to be the Roman Church. The morality which governed economic and, indeed, all relations was therefore the morality of the Church, in theory a universal Christian society.

THE CHURCH, SOCIETY, AND ECONOMY

The Church dominated all aspects of medieval life. It controlled education, and therefore the shaping of attitudes. In formal terms this meant first the monasteries and cathedral schools, and later the universities. Less formally, education took place through pastoral instruction in pulpit and confessional. In towns and villages, fairs and markets, the Church controlled the whole rhythm of life. Time was measured by church bells, the calendar by the liturgical year, and leisure by holy days. But it had a more personal and direct hold over the economic life of Christians. The pope, as the head of the Christian body, claimed to be the universal judge of all mankind. This meant that everyone was subject to the law of the Church, canon law, and the jurisdiction of the ecclesiastical courts. The legal competence of the 'courts Christian' was enormous and included most economic matters. The Church claimed jurisdiction over all cases involving the clergy, even those in the most minor orders. It judged all matters which involved an oath, which meant matrimonial and probate matters, invariably concerned with property, and a whole host of other things, including commercial contracts. In England offences committed on Sundays or major feast or fast days might also be heard in the church courts, on the basis that the defendant should have been in church at the time. In 1488, for example, Thomas Samson of St Peter's in Thanet found himself before a Canterbury church court for looting a shipwreck, simply because he had chosen All Saints' Day on which to do it. Lucas Pancake of Otterden was accused of shaving his beard on a Sunday.[2] Quite apart from the church courts, a priest might be used as arbiter in a secular dispute,

[2] Brian L. Woodcock, *Medieval Ecclesiastical Courts in the Diocese of Canterbury* (Oxford, 1952), pp. 80–1. On the competence of the 'courts Christian' see R. N. Swanson, *Church and Society in Late Medieval England* (Oxford, 1993), pp. 166–82; James A. Brundage, *Medieval Canon Law* (London and New York, 1995), pp. 70–97. On the pope's legal competence see M. J. Wilks, *The Problem of Sovereignty in the Later Middle Ages* (Cambridge, 1963), pp. 313–14.

perhaps in the market-place, as a 'good' man. Ultimately the Church had jurisdiction over all sin. Even if a particular crime did not come before it on earth, it still controlled the inner forum of conscience. And if it could not judge publicly in this world, it could and did judge in the next. Depictions of the Last Judgement, with St Michael weighing souls in the balance, as in a commercial transaction, featured prominently on Doom paintings above the chancel arch of medieval churches as a potent reminder.[3]

The aim of the Christian society was salvation – union with God in Heaven – but it still had to exist on earth and therefore to concern itself with material matters. The Church was the largest landowner in Europe, much of the land being concentrated in the hands of bishops and abbots. Such men had to be responsible for the running of often vast estates, to say nothing of the responsibility of the pope himself for papal territories. Monks would be involved in the affairs of town and market-place through their lordship of boroughs, and in the country the parish priest would participate in the local economy as he disposed of tithe, often paid in kind, or the produce of his glebe land.[4] Both monasteries and parishes had a special responsibility for the care of the poor and disadvantaged, and so for the distribution of charity.

The other-worldly aim of the Church meant that in theory at least the concerns of this world were secondary. Temporal ends and temporal affairs, the merely transient and mundane, always had to be subordinated to the higher, spiritual purpose of life. Because material matters were thought to be of so little account, the Church put a firm brake on economic development. It actively discouraged people from wanting to better themselves because to be socially ambitious, to want to be upwardly mobile, was a sin. 'Let every man abide in the same calling wherein he was called',[5] advised St Paul, and this was how it had to be. A professor at the 'new' university of Vienna, Henry of Hesse (or Langenstein, d. 1397), enlarged on this. The only justifications for working to earn more than mere sustenance were to perform pious works, to make reasonable provision for future emergencies, or to support offspring.

> Whoever has enough for these things but still works incessantly to gain riches or a higher social status, or so that later he may live without working, or so that his sons may be rich and great – all such are driven by damnable avarice, physical pleasure and pride.[6]

[3] See, for example, Eamon Duffy, *The Stripping of the Altars: Traditional Religion in England, 1400–1580* (New Haven, CT and London, 1993), plates 120–2, for reproductions, and the cover to this volume.

[4] Swanson, *Church and Society*, ch. 5, pp. 191–251.

[5] I Cor. 7.20.

[6] Henry of Hesse, *De contractibus*, in John Gerson, *Opera omnia*, 4 vols. (Cologne, 1483–4), 4, cap. 12, fol. 191ra.

This was hardly the commercial or entrepreneurial attitude necessary for an economic take-off.

Society was rigid and hierarchical. It was divided into two 'orders', those of priesthood and laity, and in theory the priests dominated the laity. Within each 'order' people were strictly graded according to the function they performed – very much a case of one person, one job. The whole society formed one great 'chain of being', which mirrored the organization of the society of the blessed in Heaven. Earthly society was part of a divine plan. In more natural terms, Thomas Aquinas likened it to a bee-hive:

> Some gather honey, some build their dwelling with wax, while the queens do none of these things: and it must needs be so likewise with man . . . for instance, that some cultivate the land, that some have charge of animals, that some build houses, and so forth. And since man's life demands not only goods of the body, but also, and still more, goods of the soul, it is necessary for some to be busy about spiritual things for the betterment of others: and such must needs be exempt from the care of temporal things. This division of divers duties among divers persons is made by divine providence, according as some are more inclined to one duty than to others.[7]

Spiritual betterment was encouraged; economic betterment was not. In practice, people did rise, despite the moral censure. To stop this, the Church condemned anything or anyone involved in money-making. Trade and merchants were especially frowned upon. But above all an attitude of 'zero tolerance' was applied to the taking of interest on loans. The Church considered that anything returned to a lender which exceeded the principal was usury, a damnable sin. Nauseating tales reminded sermon audiences of the terrible fate of unrepentant usurers after death. Yet the effect of the usury ban, if strictly applied, would have been to starve the developing mercantile world of the credit on which it was largely based.

Part of the aim of this study is to show how the attitudes of the scholastics to economic matters changed – how the economy was justified, how trade and merchants became respectable, and how the concept of legitimate interest on a loan became separated from the crime of usury. But all this could happen only when the nature of society changed, and when the control of the Church was weakened.

By the end of the fourteenth century a complex and fundamental change in the nature and purpose of society was well under way. Very gradually, from being united, unique, and universal, it was becoming transformed into a collection of independent territories, directed towards national interests by national sovereign rulers. Eternal salvation and divine precepts

[7] Thomas Aquinas, *Summa contra gentiles*, trans. The English Dominican Fathers, 4 vols. (London, 1924–9), 3, 2, bk. 3, ch. 134, p. 142.

were still of paramount concern to Christians, as a growing preoccupation with Purgatory shows, but in this new climate the natural, material ends of man's life also mattered. What was natural and human and secular became as important as what was divine. It is hard to overestimate the significance of the change, far less to pinpoint the causes, for to attempt this is to become caught in an intricate web of cause and effect. The problem is that the fundamental change encompassed many others within itself, changes in every aspect of life – not only political, but also intellectual and economic.

THE ECONOMIC CHANGES

From the late twelfth century the European economy underwent a spectacular transformation. Every sector of it grew apace – rural, urban, and mercantile. Exactly what triggered this is difficult to say. Many historians attribute it to an unprecedented rise in population.[8] An ever-increasing number of people led to pressure on land and resources, which in turn led to more intensive farming and to reclamation of waste and marginal lands for agricultural use. It also led to intensified production for the market, to the development of local markets, and to the growth of internal trade and industry. International trade, too, was stimulated, and fairs developed, first in Champagne, and then throughout Europe. New contacts with the East brought new trading routes, and new commodities reached Western markets. But the most significant demonstration of all this increased activity was the rise and development of the towns and of urban culture. The towns were centres not just of commercial activity, but also of royal and ecclesiastical administration, and of religious and intellectual developments. The mendicant friars especially were drawn to the towns and made them rather than the countryside their centres. It was in the towns that commercial practices such as deposit and exchange banking developed, and legal devices such as bills of exchange and different types of partnership contract became increasingly common. The people responsible were the mercantile elite. Merchants and traders were becoming literate, as business methods

[8] The debate centres largely on the views of R. Brenner and M. M. Postan. See R. Brenner, 'Agrarian class structure and economic development in pre-industrial Europe', *P & P*, 70 (1976), pp. 30–75; M. M. Postan and J. Hatcher, 'Population and class relations in feudal society', *P & P*, 78 (1978), pp. 24–37. For a convenient summary see S. H. Rigby, *English Society in the Later Middle Ages: Class, Status and Gender* (London, 1995), pp. 127–43. See also T. Aston and C. H. E. Philpin, eds., *The Brenner Debate: Agrarian Class Structure and Economic Developments in Pre-industrial Europe* (Cambridge, 1985); John Hatcher and Mark Bailey, *Modelling the Middle Ages: the History and Theory of England's Economic Development* (Oxford, 2001), pp. 66–120.

became more complicated, although it is not clear how far they were literate in Latin before the fourteenth century. The business communities of northern Italy and Flanders led the way.[9] It was to be the merchants, especially the Florentines in the fifteenth century, who would express somewhat different views from the traditional ecclesiastical ones. But the people who were mainly responsible for accommodating all this dangerous novelty within the Christian tradition were the friars. Although they were supposed to shun the world and all its concerns, especially money, they lived and breathed the commercial atmosphere of the towns and adapted it for their own ends. Their achievement was 'to bring into balance and to keep in balance their strict refusals to touch money or participate in legal proceedings with their exploitation of the techniques of selling, bargaining and persuading'. They 'negotiated the Gospel without using money, thus exercising commerce as truly Christian merchants'.[10]

THE EVIDENCE

The majority of the works drawn on in this book are from the late medieval period, that is, from the thirteenth to the fifteenth centuries, the period when the friars were active. But thought rarely evolves in isolation, and the work of medieval thinkers was heavily, and often deliberately, derivative: there was no concept of plagiarism in the Middle Ages. Recent work, especially that of Odd Langholm, has demonstrated this imitative trait. It has meant that the pride of place formerly given to the Dominican Thomas Aquinas, for example, or the Franciscan Bernardino of Siena has been undermined. An introductory section to Langholm's *magnum opus* is headed 'Not only Aquinas'; and it is now widely acknowledged that Bernardino borrowed heavily from the thirteenth-century Franciscan Peter Olivi (d. 1298).[11]

Equally important is the fact that the economic ideas of the scholastics, the academic writers of the medieval period, were often embedded in commentaries on either the Bible or the works of Aristotle, or in biblically based sermons, and they cannot be understood without some knowledge of these. Their works are stuffed with classical and biblical quotations. In any event, medieval writers loved to quote. They may not have acknowledged their immediate predecessors, but they were ostentatiously aware of the patristic pedigree of many of their ideas. As well as the Bible and

[9] Robert S. Lopez, *The Commercial Revolution of the Middle Ages, 950–1350* (Cambridge, 1976), esp. pp. 56–122.

[10] Barbara H. Rosenwein and Lester K. Little, 'Social meaning in the monastic and mendicant spiritualities', *P & P*, 63 (1974), pp. 4–32, at pp. 28, 32.

[11] Langholm, *Economics*, p. 11, and pp. 345–6, and n. 1 for the debt of later thinkers to Olivi.

Aristotle, their works are full of citations from authors such as Augustine, Jerome, and Ambrose. In order to clarify the late medieval ideas it has often been necessary to examine their pre-medieval ancestry.

The Bible, 'the sovereign textbook of the schools',[12] was studied, glossed, and commented upon more than any other work in the medieval period. It was the revelation of God himself, and as such was the repository of all truth and wisdom. As a fourteenth-century commentator Nicholas of Lyre observed: 'Whatever is repugnant to Holy Scripture is false. So Holy Scripture is not only Wisdom itself; it is also the understanding of this Wisdom.'[13] This could be, and was, applied to economics. The morality contained in the Bible is the foundation of many of the arguments which follow. The friars who often feature as Aristotelian commentators were first and foremost theologians and biblical commentators. As theologians, their work also rested on the intellectual developments which characterized the so-called renaissance of learning which took place during the 'long' twelfth century.[14]

During this revival the processes of rational analysis and systematization were combined to create three fundamental works. One of these was the *Sentences* of Peter Lombard (d. 1160), which covered all the main considerations of Christian theology – the Trinity, the Creation and the Fall of Man, the Incarnation and Christian moral principles, and the Sacraments. In the *Sentences* Peter tried to harmonize conflicting opinions. The result, as a thirteenth-century critic observed sourly, was a work so weighty that 'it takes a horse to carry it'.[15] Despite this inconvenience, it was adopted as the main theological textbook in the schools.

The search for order was applied not just to theology, but also to law. The second basic work was the reclassification and rearrangement of the *Corpus iuris civilis*, the whole body of the Emperor Justinian's Roman law texts, by a Bolognese lawyer, Irnerius, in the early twelfth century. He also added his own interlinear comments, or glosses, to the texts – a practice

[12] The phrase is the title of ch. 3 of R. W. Southern, *Scholastic Humanism and the Unification of Europe*, vol. 1: *Foundations* (Oxford, 1997). This chapter, pp. 102–33, provides the best introduction to the Bible's significance in scholastic thought and the methods of interpretation applied to it. See also Beryl Smalley, *The Study of the Bible in the Middle Ages* (Oxford, 1983).

[13] Nicholas of Lyre, Prologue to *Postills on the Bible*, quoted by Southern, *Scholastic Humanism*, 1, p. 110.

[14] See the excellent introduction to the debates surrounding the 'long' twelfth century and its renaissance in R. N. Swanson, *The Twelfth-century Renaissance* (Manchester, 1999), pp. 1–11, esp. 4–5. On the early participants, *c.* 1060–1160, and the social and intellectual climate in which they worked see Southern, *Scholastic Humanism*, 1.

[15] 'Roger Bacon deplores the preference given at Paris to the *Sentences* over Holy Scripture' (*c.* 1267), in Helene Wieruszowski, ed., *The Medieval University* (Princeton, NJ, 1966), pp. 146–7.

emulated by a long line of both Roman and canon lawyers for the rest of the medieval period. The third great systematization was the *Decretum* of Gratian, or *The Concord of Discordant Canons* (1140) – the subtitle adequately conveys its scholastic method – which was a collection of canon law texts, including conciliar canons, papal decretals, patristic writings, and even excerpts from civil law.

Of these three, the *Sentences* was really a *summa* of theological knowledge, and the adoption of Peter Lombard's work gave rise both to commentaries on his work directly, and to a whole series of theological *summae*, of which the great *Summa theologiae* of Aquinas is the best-known example. Many of these theological treatises adopt a question and answer method. The question is first posed, then opinions against it and for it are rehearsed, followed by the author's discussion and opinion, and then the replies to the contrary arguments. Additional chapters might be added. Another academic genre was the *quodlibet*, which was a formal academic debate – as opposed to a university lecture – or, as its name implies 'whatever anyone liked'. Theological treatises of every sort are an important source for economic ideas.

The major part of Justinian's codification of the law, the *Corpus iuris civilis*, started in 527, is the *Digest* or *Pandects* (promulgated 533), which is a collection of extracts from the work of classical jurists, especially Ulpian and Paul. It covers fifty books. The *Codex* (534) is a collection largely based, as the name implies, on the *Theodosian Code*, though with some additions by Justinian, and the *Institutes* (533) is an adaptation of a basic textbook by an obscure second-century lawyer called Gaius. Added to these were the *Novella*, or new laws, which were enacted after the completion of the *Codex*.

The texts of the *Corpus* were glossed and commented on extensively. In the thirteenth century a mass of texts and explanatory scholarship was condensed into the *Great Gloss* of Accursius. If the *Sentences* came to overshadow the Bible in the theological schools, the same might be said about the *Great Gloss* and the *Corpus iuris civilis* in the legal schools. The second half of the thirteenth century and the fourteenth century saw the rise of a new group of legal commentators, the dialecticians, of whom Bartolus of Sassoferrato and his pupil Baldus were among the most celebrated.[16]

Roman law embraced both equity and natural law ideas about the equality of men, which explains its fundamental importance for economic ideas, quite apart from the specifically economic and commercial matters

[16] On Roman law see Peter G. Stein, 'Roman law' in David Miller *et al.*, eds., *The Blackwell Encyclopedia of Political Thought*, rev. edn (Oxford, 1990), pp. 446–50; Swanson, *Twelfth-century Renaissance*, pp. 68–73; Southern, *Scholastic Humanism*, 1, pp. 272–84; Barry Nicholas, *An Introduction to Roman Law* (Oxford, 1962), esp. pp. 38–45.

it discussed. As a 'pagan' source, it was less restricted than the Christian writings, and yet it enshrined many of the same principles. Many of the lawyers of the dialectical school were doctors of both laws, civil and canon, and commented on both.

Gratian's *Decretum*, although it was a private compilation, gained wide acceptance as authoritative. To it was added a further collection in 1234 by Pope Gregory IX, known as the *Decretales*, the *Liber Sextus*, added by Boniface VIII in 1298, and the *Clementines*, by Clement V in 1317. Later, in 1500, John XXII's *Extravagantes* (literally those 'wandering outside' the main collections) were added and the *Extravagantes communes*. Together with the *Decretum*, they contained all the authoritative canons of general councils and the papal decretals, and became known as the *Corpus iuris canonici*. These collections too were extensively summarized and commented upon. Commentators became known as 'Decretists' and 'Decretalists'. In the thirteenth century the *Glossa ordinaria* of Johannes Teutonicus became the most influential work of systematization on the *Decretum*. The most celebrated commentators of the thirteenth century to feature here were Huguccio, Hostiensis, and Raymond of Peñafort, and of the fourteenth, Johannes Andreae.[17]

The remainder of the evidence for medieval economic thought is more varied. It consists, for example, of pastoralia – confessors' manuals, treatises on the Virtues and the Vices, and sermons. These are valuable especially for what they say on avarice, and its progeny usury, and on topics such as poverty, charity, and almsgiving. A particularly rich source in England is vernacular literature. The best example is *Dives and Pauper* – the Rich Man and the Poor Man – a prose treatise written probably by a Franciscan in the early fifteenth century, based on an exposition of the Ten Commandments.[18] Then, at the close of the period, there are secular sources, such as parliamentary statutes, private letters, and wills, as well as the treatises of Italian humanists and the business writings of merchants. Finally there are local legal records, such as manorial court rolls and village by-laws, which are interesting as reflections of customary law rather than Roman civil law.

[17] On canon law see Brundage, *Medieval Canon Law*; Swanson, *Twelfth-century Renaissance*, pp. 73–7; and on Gratian, Southern, *Scholastic Humanism*, 1, pp. 283–318; Anders Winroth, *The Making of Gratian's 'Decretum'* (Cambridge, 2000).

[18] H. G. Pfander, '*Dives and Pauper*', *The Library*, 14 (1933), pp. 299–312; H. G. Richardson, '*Dives and Pauper*', ibid., 15 (1934), pp. 31–7; Anne Hudson and H. L. Spencer, 'Old author, new work: the sermons of MS Longleat 4', *Medium Aevum*, 53 (1984), pp. 220–38; M. Teresa Tavormina, 'Mathematical conjectures in a Middle English prose treatise: perfect numbers in *Dives and Pauper*', *Traditio*, 49 (1994), pp. 271–86, discusses an unusual aspect of the treatise.

Most of the sources outlined above are not specifically economic ones. The economic thought they contain is almost incidental. It is only at the end of the period that we find treatises specifically written on economic topics, such as the *De Moneta* of the late fourteenth-century writer Nicholas Oresme, pupil of John Buridan, or the *Libelle of Englysh Polycy*, a strongly protectionist trade treatise written in the fifteenth century to ensure that England should retain mastery of the 'narrow seas' during the final stages of the Hundred Years War with France.

No discussion of the evidence for medieval economic thought can hope to be exhaustive: the subject is as all-embracing as the economy itself. The problem has been one of abundance rather than scarcity, and because of this, works by English authors have been used wherever possible. Sometimes economic ideas appear in unexpected places, such as the works of Chaucer or Langland, or in popular sermons. Although England was economically less advanced than areas such as Flanders and Italy, thought knows no geographical boundaries, and English thinkers made important contributions to economic thought. Part of the reason for this was the strong tradition of Aristotelian translation and commentary at Oxford. Many of the English writers who discussed economic subjects did so in the course of commenting on the works of Aristotle, and Aristotle was a predominating influence on both the method and content of medieval economic thought.

THE INFLUENCE OF ARISTOTLE

The story of Buridan's ass probably came from Aristotle, and John Buridan was an Aristotelian commentator. Most of Aristotle's works had been lost to the Western world throughout the early medieval period, yet, despite this, his influence was never entirely absent. It was transmitted partly through the few works which were translated, and partly through the ideas and vocabulary of thinkers such as Cicero and Boethius. As Cary Nederman has observed, 'the Middle Ages knew two Aristotles: one was present throughout medieval times, if only in dim awareness; the other was disseminated rapidly beginning in the twelfth century and forced medieval thinkers to re-evaluate their cherished orthodoxies'.[19] When the bulk of the philosopher's works became available it was to some extent the result of contact with the Greek world, which had been made and strengthened by historical events, in particular by the crusades. These started in 1096

[19] Cary J. Nederman, 'Bracton on kingship revisited', *HPT*, 5 (1984), pp. 61–77, at p. 76, reprinted in Nederman, *Medieval Aristotelianism and its Limits* (Aldershot, 1997), no. 13 (same pagination). The volume includes several essays on the early dissemination of Aristotelian ideas.