

TOWN AND COUNTRY IN EUROPE, 1300–1800

Edited by

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CAMBRIDGE
UNIVERSITY PRESS

PUBLISHED BY THE PRESS SYNDICATE OF THE UNIVERSITY OF CAMBRIDGE
The Pitt Building, Trumpington Street, Cambridge, United Kingdom

CAMBRIDGE UNIVERSITY PRESS

The Edinburgh Building, Cambridge CB2 2RU, UK www.cup.cam.ac.uk

40 West 20th Street, New York, NY 10011–4211, USA www.cup.org

10 Stamford Road, Oakleigh, Melbourne 3166, Australia

Ruiz de Alarcón 13, 28014 Madrid, Spain

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First published 2001

Printed in the United Kingdom at the University Press, Cambridge

Typeset in Plantin 10/12pt System 3b2 [C.E.]

A catalogue record for this book is available from the British Library

ISBN 0 521 63341 9 hardback

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1 Introduction. Town and country in Europe, 1300–1800

S. R. Epstein

‘Town and country’ is among the most abiding metaphors of economic and social development in the past. Relations between town and country are central to several of the most significant ‘grand narratives’ in economic history, including the extension of markets, the rise of capitalism, and the growth of modern manufacture. The metaphor’s success is partly dependent on its deceptively simple dichotomy, which is apparent in the very etymology of the term ‘country’: originating in the late Latin *contrata*, meaning ‘that which lies opposite’, the term subsequently took on in opposition to ‘town’ the meaning of ‘those parts of a region distant from cities or courts’.¹ From its very origin, country came to signify what ‘townness’ was not – a residual meaning, so to speak, which raises the fundamental problem of defining what a town is.

The considerable geographical and historical variation between towns in terms of size, function (industrial, commercial, administrative and cultural), and political and institutional features, makes clear and unambiguous definitions hard to come by. Most historians have chosen either a demographic or a functional definition depending on the questions they wished to answer. The approach pioneered by E. A. Wrigley, Jan de Vries and Paul Bairoch defines urbanity in strictly demographic terms as centres with more than 5,000 or 10,000 inhabitants.² This method uses urban ratios (the proportion of the total population living in towns over a specified threshold) to estimate changes in agricultural productivity, in functional specialisation and in market integration across space and over long stretches of time. It is therefore particularly suited for comparative surveys and first-order generalisations; but what the method gains in consistency and comparability it loses in precision, because a very significant proportion of pre-

¹ See *Oxford English dictionary*, 1st edn, s.v. Town.

² E. A. Wrigley, ‘Urban growth and agricultural change: England and the Continent in the early modern period’, in E. A. Wrigley, *People, cities and wealth: the transformation of traditional society* (Oxford, 1987), pp. 157–93; J. de Vries, *European urbanisation 1500–1800* (London, 1984); P. Bairoch, J. Batou and P. Chèvre, *La Population des villes européennes 800–1850* (Geneva, 1988).

modern European towns fell below what are unavoidably arbitrary demographic thresholds.

‘The small town was a constant and quintessential feature of the European landscape’, it has been said, so much so that in pre-modern Europe ‘small towns’ accounted for five or more times as many settlements as all other urban centres put together.³ This was particularly true in the less urbanised European regions north of the Alps and the Pyrenees; but even in countries with more concentrated urban settlements like Castile, Italy and the Low Countries, a large proportion of the population lived in settlements too small to be caught in the mesh of mainstream urban studies. Moreover, far from disappearing after the mid-seventeenth-century crises, the economic and political significance of small towns increased, thanks to their greater adaptability and dynamism compared to larger, better established peers. As Paul Glennie reminds us below, no more than 100 of the 700 or so urban places in England exceeded 5,000 inhabitants as late as 1801. When the evolving character of town–country relations is being addressed, the small towns in closest contact with the rural world cannot therefore be ignored. For this reason, contributors to this volume reject strictly demographic definitions of urbanity and emphasise instead the commercial, manufacturing and administrative functions of settlements with regard to their hinterland and to regional and national urban hierarchies. Any loss in terms of precision – particularly at the lower end of the urban hierarchy where it is notoriously difficult to distinguish small towns from villages – is more than made up for by the number and variety of towns and by the breadth of institutional, political, cultural and economic factors such an approach is able to take into account.

The functional approach privileged in this volume has two further advantages. In the first place, it more accurately represents the extent of the medieval and early modern division of labour between rural and agricultural activities and the manufacturing and service sectors, which were mostly concentrated in towns. Several contributors to this volume deploy this fact to make a positive re-evaluation of the size and contribution of urban industries and services to European economy and society after the Black Death. Thus, the inclusion of functionally urban communities as small as a few hundred inhabitants in England (James Galloway), Switzerland (Martin Körner), and the Austrian–Czech lands (Markus Cerman and Herbert Knittler) raises the estimate of urban levels in these countries from less than 10 per cent to 15–20 per cent;

³ P. Clark (ed.), *Small towns in early modern Europe* (Cambridge, 1995), p. 1. ‘Pre-modern’ is defined here somewhat arbitrarily as c.1300–1800; reasons for viewing the period in chronological unity are discussed below.

equally, a large proportion of the astonishing 40 per cent urban ratio of late medieval Holland includes the population of small towns at the lower end of the urban hierarchy (Peter Hoppenbrouwers). In chapters 12 and 14, Pablo Sánchez León and Brigitte Marin discuss the implications of similar revisions for regions traditionally viewed as under-urbanised and underdeveloped like Castile, the kingdom of Naples and Sicily where in fact, in the fifteenth and sixteenth centuries, between 20 and 40 per cent of the population lived in centres with urban functions.⁴

These new estimates of average urban levels indicate that by the early fourteenth century the more peripheral European economies were far more commercialised and specialised than previously assumed, and therefore give support to recent, more optimistic assessments of pre-modern economic growth.⁵ However, the substantial increase in estimated *absolute* urban ratios in less urbanised regions does not significantly alter the latter's *relative* standing with respect to more urbanised regions; if one includes 'small towns' of a few hundred inhabitants in current urban estimates for Flanders and the more developed regions of Italy, France and southern Germany, their urban ratio rises from 30–40 per cent (estimated using 'traditional' urban thresholds of several thousand inhabitants) to 50–60 per cent or more.

The second advantage of a functional definition is that it raises important comparative questions of both substance and method. Most continental historians, represented in this volume by the chapters on Sweden, Holland, Poland, Austrian–Czech and German lands, Switzerland, Castile and north-central Italy, adopt a legal definition of towns as centres which were granted an official charter of rights and privileges. This appears to make the distinction between town and country (or village) very sharp. English historians instead tend to downplay the significance of legal rights for urban growth, and contrast the more liberal conditions applying in England with those of the rest of Europe. While there is undoubtedly some truth in this distinction, particularly as far as smaller towns are concerned, the contrast is also a consequence of different historiographical traditions. Thus, English historians downplay the fact that English towns continued to seek and defend urban corporate privilege far into the eighteenth century, while Italian historians, as noted by Brigitte Marin, have long neglected southern Italian towns because they lacked the political and institutional privileges of north Italian communes, which the national historiography identified as the

⁴ For Naples and Sicily, see S. R. Epstein, *Freedom and growth. The rise of states and markets in Europe 1300–1750* (London, 2000), ch. 5.

⁵ *Ibid.*, chs. 1–2.

siue qua non of urbanity.⁶ Equally, while continental historians may have sometimes exaggerated the ability of more ‘coercive’ urban systems to enforce political privilege, an older English historiographical tradition also emphasised the intensity of governmental intervention and of corporate and institutional rent-seeking in and by towns up at least to the mid-seventeenth century.⁷ The interaction between coercive and market forces was evidently more complex and multi-layered than a simple institutional dichotomy between England and continental Europe implies.

Given these premises, contributors to the present volume were asked to consider in particular the nature of the institutionalised power of town over country and its regional differences. In doing so, they also address relations between towns and the state in a period when the states’ fiscal and political demands were increasing, their administrative reach was growing, and their regulatory pretensions were becoming more burdensome, while at the same time they were challenging ancient privileges and sources of rent-seeking. The focus throughout this volume is on the evolving structural constraints within pre-modern political economies, not only because that is where the greater part of past and current debates has been concentrated but also because it is where institutional differences between states were felt most keenly. Several contributions are explicitly comparative, and all adopt a long-term perspective, which frequently straddles the traditional chronological demarcation between medieval and early modern eras, and emphasises the similarities and structural continuities between the two. The purpose of this introduction is to facilitate such a comparative exercise by briefly retracing the historiographical background, spelling out the regional and national analogies and contrasts, and suggesting future avenues of research.

The division of labour between town and country

Ever since the mid-eighteenth century, when the French Physiocrats developed a model of growth centred on agricultural primacy, and

⁶ For England, see P. Clark, ‘Changes in the pattern of English small towns in the early modern period’, in A. Maçzak and C. Smout (eds.), *Gründung und Bedeutung kleinerer Städte in nördlichen Europa der frühen Neuzeit* (Wiesbaden, 1991), pp. 67–84; for a recent restatement of the north Italian viewpoint, see M. Berengo, *L’Europa delle città. Il volto della società urbana europea tra Medioevo ed età moderna* (Turin, 1999).

⁷ See e.g. E. Lipson, *The economic history of England*, 3 vols. (London, 1945–8); recently H. Swanson, *Medieval British towns* (Houndmills and New York, 1999), chs. 3–4, has once again underlined the significance of political and institutional influences on urban economies; there is, however, still a dearth of modern studies of local and state intervention and regulation of trade (J. Chartres, *Internal trade in England 1500–1700* (London and Basingstoke, 1977), ch. 5).

Adam Smith developed the alternative view that towns were the major sources of institutional innovation in traditional societies, debates on town and country in the pre-modern economy have revolved around two questions. First, what were the ‘prime movers’ of economic growth? Second, what was the balance in the growth process between market competition and political coercion? The two questions can be summed up as one: could peasants generate markets autonomously, or did they need to be pushed, that is, coerced through asymmetrical power relations, or pulled into trade through price incentives? To this question historians have offered three answers, defined by Langton and Hoppe some years ago as the town-based model, the country-based model, and the specialisation model.⁸

The classical or town-based model which held sway until recent years identified towns and urban industry and commerce unequivocally with urbanity, civilisation and economic and social progress. It was adhered to by the fathers of modern social science and by many of the most influential economic historians of the past century. Thus, Adam Smith wrote how ‘the silent and insensible operation of foreign commerce and manufactures gradually’ effected the dissolution of feudal mores and institutions;⁹ Marx, while declaring robustly that ‘the foundation of every division of labour . . . is the separation of town from country’,¹⁰ went on to dismiss the peasantry as ‘a vast mass . . . almost self-sufficient . . . [which] directly produces the major part of its consumption and thus acquires its means of life more through exchange with nature than in intercourse with society . . . much as potatoes in a sack form a sack of potatoes’;¹¹ while Max Weber saw the medieval European city as ‘inseparably linked as one of the crucial factors’ to the rise of modern capitalism and the modern state.¹² Following in their footsteps, Henri Pirenne and Fernand Braudel elevated the figure of the urban-

⁸ J. Langton and G. Hoppe, *Town and country in the development of early modern western Europe* (Norwich, 1983).

⁹ A. Smith, *An inquiry into the nature and causes of the wealth of nations*, ed. E. Cannan (Chicago, 1976), p. 437. On Smith’s discussion of ‘town and country’, see M. Berg, ‘Political economy and the principles of manufacture 1700–1800’, in M. Berg, P. Hudson and M. Sonenscher (eds.), *Manufacture in town and country before the factory* (Cambridge, 1983), pp. 33–60.

¹⁰ K. Marx, *Capital*, transl. B. Fowkes, 3 vols. (Harmondsworth, 1976–81), vol. I, pp. xii, 4; see also K. Marx and F. Engels, *The German ideology*, in *Collected works* (London, 1973), vol. V, pp. 19–20: ‘the greatest division of mental and material labour is the separation of town and country’.

¹¹ K. Marx, *The Eighteenth Brumaire of Louis Napoleon*, in *Collected works* (London, 1979), vol. XI, p. 187.

¹² M. Weber, *Economy and society*, ed. G. Roth and C. Wittich, 2 vols. (Berkeley, Los Angeles and London, 1978), vol. II, p. 1323.

based, international merchant to the role of avatar and midwife of modern capitalism.¹³

The economic model underlying these descriptions is dualistic. Towns, which are generally identified with their commercial elites, are defined as the ‘advanced’ sector relaying capital, information, technological and institutional innovation to a ‘backward’ or ‘traditional’ countryside dominated by a quasi-natural peasant economy. The commercial influence of towns acts as a ‘solvent’ of rural self-sufficiency, idiocy and inertia. By destroying feudal property rights in the countryside, urban trade created the landless proletariat needed for urban manufacture, invigorated agricultural productivity and reduced the costs of food and raw materials; as M. M. Postan famously put it, medieval towns were ‘non-feudal islands in a feudal sea’.¹⁴ The 1950s debate on the ‘transition from feudalism to capitalism’ between Paul Sweezy and Maurice Dobb centred on Sweezy’s similar assumption – based upon Pirenne’s influential work – that towns and commerce were ‘external’ to the feudal economy and that they brought about its capitalist transformation.¹⁵ Braudel’s understanding of the role of towns was similarly coloured, although he also recognised that towns could sometimes act more ambiguously.¹⁶

During the 1970s the dominant town-based dualism came under attack from two new ‘meta-theories’ of the capitalist transition, Robert Brenner’s theory of agrarian capitalism and Franklin Mendels’s theory of proto-industrialisation.¹⁷ Both harked back to the Physiocratic claim that the most salient economic development was to be found in the countryside, and depicted towns as parasitical consumers of ‘feudal

¹³ H. Pirenne, *Economic and social history of medieval Europe*, transl. I. E. Clegg (London, 1947); F. Braudel, *Civilisation and capitalism*, vol. II: *The wheels of commerce*, transl. S. Roberts (London, 1982).

¹⁴ M. M. Postan, *The medieval economy and society* (Harmondsworth, 1975), p. 212.

¹⁵ R. H. Hilton (ed.), *The transition from feudalism to capitalism* (London, 1976). The ‘centre-periphery’ metaphor at the heart of Immanuel Wallerstein’s world systems theory describes a similar ‘dual economy’ in which commercially and industrially advanced ‘towns’ control and exploit backward and agrarian ‘countries’ (I. M. Wallerstein, *The modern world-system*, vol. I: *Capitalist agriculture and the origins of the world-economy in the sixteenth century* (New York, 1974)).

¹⁶ F. Braudel, *Civilisation and capitalism*, vol. I: *The structures of everyday life: the limits of the possible*, transl. M. Kochan and S. Roberts (London, 1982), ch. 1.

¹⁷ R. Brenner, ‘Agrarian class structure and economic development in pre-industrial Europe’, *Past and Present* 70 (1976), 30–75, restated (with some change in emphasis) in R. Brenner, ‘The agrarian roots of European capitalism’, *Past and Present* 97 (1982), 16–113; F. Mendels, ‘Proto-industrialisation: the first phase of the industrialisation process?’, *Journal of Economic History* 32 (1972), 241–61. The 1970s witnessed a proliferation of theories of pre-modern growth, including Wallerstein’s ‘world system theory’ (see note 15) and Douglass North’s property rights approach (D. C. North and R. P. Thomas, *The rise of the western world* (Cambridge, 1973)).

surplus' which offered no positive stimulus, and as rent-seekers which protected their traditional industrial monopolies against unfettered rural competition. However, at this point Brenner and Mendels parted ways. Brenner, who followed the town-based model and argued that peasants were *not* the avatars of capitalism because peasant agricultural supply was inelastic, at the same time ignored the role of urban manufacture and rural proto-industry in tune with his dismissal of the industrial and service sector's contributions to pre-modern economic growth.¹⁸ Not surprisingly, Brenner's work concentrated on poorly urbanised countries like England, France and east-central Europe and had little to say about the economically more dynamic, highly urbanised regions of Holland, Flanders, southern Germany and north-central Italy.

The contribution of Mendels' and his successors' proto-industrial theory to town–country debates was more positive. First, the theory helped mitigate the singularly optimistic views of urban-centred models of development by focusing attention on the negative and coercive aspects of urban policy – particularly but not solely guild-inspired – towards upstart proto-industrial manufacture in the countryside. This had the further effect of highlighting the considerable institutional variation in town–country relations and opened the way for more rigorous cross-regional comparisons. The insight, derived from proto-industrial theory, that town–country relations were shaped differently between regions and over time is a central tenet of the present volume. Secondly, the strong emphasis on the regional dimensions of proto-industry contributed to a change in focus from the interaction between individual towns and their hinterland, to the broader context of regional and national urban systems. This change in focus constitutes one of the major methodological advances for the analysis of town–country relations over the past three decades, and underlies the increased use by social and economic historians of the tools of urban and historical geographers who focus by training on spatial interaction. Sensitive usage of concepts like central places, urban hierarchies and networks and von Thünen rings – the latter particularly in evidence in the chapters on England by Galloway and Glennie – reveals patterns in resource allocation for which more direct evidence is unavailable, and offers answers to several central questions raised by the present volume, about the overall impact of proto-industrial activities on the urban sector, about the

¹⁸ The influential proto-industrial theory of Peter Kriedte, Hans Medick and Jürgen Schlumbohm similarly stated that peasants took up proto-industrial activities only if they owned insufficient land to achieve self-sufficiency (P. Kriedte, H. Medick and J. Schlumbohm, *Industrialisation before industrialisation: rural industry in the genesis of capitalism*, transl. B. Schempp, with contributions from H. Kisch and F. L. Mendels (Cambridge, 1981)).

development of markets and market integration, and about the distributional consequences of the rise of capital cities.

Despite their differences, both the older town-based approach and proto-industrial theory presented models of unbalanced growth in which the advanced urban or rural sector develops at a disproportionate rate to pull the more backward sector to a higher growth path. Both approaches focused on towns as the main source of dynamism or inertia, but stressed only one term of the antinomy and ignored the positive, dynamic aspects of the division of labour between town and country. Both took the existence, character and co-ordination of pre-modern markets for granted, and did not question how markets emerged in the first place or how different institutional constellations might lead to different economic outcomes. Both models also assumed that peasants had to be coerced into regular production for the market, despite considerable evidence that commercial farming and rural manufacture were standard peasant activities since at least the later middle ages (as discussed by this volume's contributions on England, Holland, Germany and the Austro-Czech lands).

Dissatisfaction with models that could not easily explain urban–rural interaction led, during the 1980s, to a new emphasis on towns as co-ordinating centres for rural trade and as concentrated sources of demand that stimulated agrarian specialisation.¹⁹ The shift in focus was first apparent in England, where economic historians grappling with the first industrial transition have often been more sensitive to developmental and dynamic models, and where the influence of historical geography has been felt more keenly. The new interest in towns as centres of demand and commercial distribution within a regional or national framework, foreshadowed by work on proto-industrialisation, also reflected a broader historiographical shift away from the neo-Ricardian and neo-Malthusian, pessimistic interpretations of the pre-modern economy that had dominated post-war historiography, towards models of Smithian growth which placed more emphasis on slow, incremental change through functional specialisation and the division of labour within growing markets. Thus, in an influential essay, E. A. Wrigley argued that the huge growth of early modern London created a source of concentrated demand for rural produce that was ‘probably the most important single factor in engendering agricultural improvement’ before the Industrial Revolution and which stimulated the rise of an integrated national market.²⁰

¹⁹ Langton and Hoppe, *Town and country*, p. 36.

²⁰ E. A. Wrigley, ‘A simple model of London’s importance in changing English society and economy, 1650–1750’, in Wrigley, *People, cities and wealth*, pp. 133–55.

Elsewhere, Wrigley noted that in a closed market with insignificant agricultural imports, both the level and the rate of change of urban populations depend on the size of the agricultural surplus available to the non-agrarian sector, and proceeded to use this insight to estimate agricultural and industrial productivity over time and across countries.²¹ Wrigley recognised that urban levels did not precisely reflect the division of labour between town and country because of the presence of proto-industrial and service activities in the countryside; however, his model of town–country specialisation assumed that the size of the urban population reflected the level of agricultural productivity, and that it would respond quite smoothly to changes in agrarian output. However, this use of pre-industrial rates of urbanisation to infer the technological capacity to feed urban populations has recently been questioned. Drawing on research on ancien régime France, George Grantham has suggested that the technology available to peasants was capable of producing a large enough surplus to carry an urban ratio of about 60 per cent, twice to three times the levels actually achieved in eighteenth-century France. Since the agricultural technology available at that time did not differ significantly from that documented for several European regions during the thirteenth century, Grantham concludes that low agricultural productivity could not be held responsible for the low rates of urbanisation in Europe between 1300 and the Industrial Revolution.²²

An explanation of European patterns of urbanisation and of the division of labour between town and country before the Industrial Revolution must be set against the available evidence summarised in Table 1.1, which lists urban ratios above an urban threshold of 5,000 in the period from 1500 to 1750 according to modern national boundaries. Although national aggregates disguise significant regional differences and must therefore be treated with caution, they nevertheless offer a credible long-run measure of *relative* national performance (as noted previously, the exclusion of small towns only affects absolute measures of urbanisation).

The data plausibly indicate four broad conclusions. First, the only country ever to come close to achieving its full urban potential of 60 per

²¹ Wrigley, 'Urban growth'; E. A. Wrigley, 'Parasite or stimulus: the town in a pre-industrial economy', in P. Abrams and E. A. Wrigley (eds.), *Towns in societies. Essays in economic history and historical sociology* (Cambridge, 1978), pp. 295–309.

²² G. W. Grantham, 'Divisions of labour: agricultural productivity and occupational specialisation in pre-industrial France', *Economic History Review*, 2nd ser., 46 (1993), 478–502; G. W. Grantham, 'Espaces privilégiés. Productivité agricole et zones d'approvisionnement des villes dans l'Europe préindustrielle', *Annales HSS* 52 (1997), 695–725; G. W. Grantham, 'Contra Ricardo: on the macroeconomics of pre-industrial economies', *European Review of Economic History* 3 (1999), 199–232.

Table 1.1. *Rates of urbanisation in Western Europe, 1500–1750 (percentages)*

	1500	1600	1700	1750
Austria–Hungary–Czechoslovakia	4.8	4.9	4.9	7.3
Belgium	28.0	29.3	22.2	22.2
England and Wales	7.9	10.8	16.9	27.7
France	8.8	10.8	12.3	12.7
Germany	8.2	8.5	7.7	8.8
Italy	22.1	22.6	22.6	22.5
Netherlands	29.5	34.7	38.9	36.3
Portugal	15.0	16.7	18.5	17.5
Scandinavia (other)	1.5	6.9	6.5	8.6
Scotland	7.4	7.9	7.1	10.2
Spain	18.4	21.3	20.3	21.4
Sweden	1.7	1.2	3.8	4.6
Switzerland	6.8	5.5	5.9	7.7
Mean	12.3	14.6	15.1	16.2
Coefficient of variation (%)	76.7	73.4	70.0	59.6

Source: Bairoch, Batou and Chèvre, *Population*.

cent as defined by Grantham was the Dutch Republic; even England was still seriously under-urbanised in 1750, despite its remarkable spurt of growth after 1600. Second, between 1500 and 1750 only Sweden, France, and England and Wales experienced uninterrupted urban growth, while elsewhere towns either stagnated, as in Portugal, Spain, Italy, Switzerland and Germany, or declined, as in the southern Low Countries (modern Belgium). Third, cross-country rankings and absolute levels of urbanisation were extremely stable over time and the rate of dispersion around the mean remained a high 73–76 per cent until 1700, suggesting that there was little pressure for international convergence. Although urbanisation began to converge quite rapidly after 1700, the rate of dispersion in 1750 was still close to 60 per cent and the only significant change was England's rise to the top rankings.²³ The evidence therefore appears to contradict the common hypothesis that more urbanised societies will grow faster thanks to economies of scale and higher concentrations of human capital;²⁴ however, barring the important

²³ If the United Kingdom is excluded, the coefficient of variation of urban ratios was 0.64, 0.65, 0.65 and 0.56 respectively in 1500, 1600, 1700 and 1750. The process of convergence between 1700 and 1750 was thus broadly European.

²⁴ See W. C. Wheaton and H. Shishido, 'Urban concentration, agglomeration economies, and the level of economic development', *Economic Development and Cultural Change* 30 (1981–2), 1, 17–30; P. Krugman, *Geography and trade* (Cambridge, MA, 1991); E. L. Glaeser, H. D. Kallal, J. A. Scheinkman and A. Shleifer, 'Growth in cities', *Journal of Political Economy* 100 (1992), 6, 1126–52; J. Mokyr, 'Urbanization, technological progress, and economic history', in H. Giersch (ed.), *Urban agglomeration and economic growth* (Berlin and New York, 1995), pp. 3–34.

exception of the Dutch Republic, it also seems to contravene the alternative view that less developed countries tend to catch up with the economic leaders as a result of market integration and technological diffusion. Fourth, since none of the important changes in national economic performance during the period – notably the relative decline of Italy and the southern Netherlands, the rise followed by the decline of Spain, and the ascent from peripheral to core status of England – is adequately reflected in the urban data, we are forced to conclude that urbanisation is a remarkably poor index and predictor of economic development at this time. For example, in the early sixteenth century the urban ratio was four times higher in Spain than in England and Spain continued to be more urbanised in 1750 despite the intervening changes in economic performance in the two countries; conversely, in 1700 countries with very different economic performances like Castile and the southern Netherlands had nearly identical urban ratios.

The lack of correlation between a country's urban ratio and its long-run economic performance confirms Philip Hoffman's recent demonstration that in early modern France urban size bore little relation to agricultural productivity.²⁵ Grantham has argued that the main constraint on urban size lay in the structure of agricultural labour markets, in particular in the efficiency with which they met surges in demand for wage labour during the grain and wine harvests. In principle, seasonal labourers could have lived in towns for much of the year and could have migrated to the countryside temporarily at harvest time, but in practice they were held back by high information and transport costs; to earn high harvesting wages, they had to reside permanently in the countryside where, during the rest of the year, they could engage in proto-industrial activities. While less productive than urban manufacture, rural proto-industry persisted because inefficient agricultural labour markets raised migration costs for peasants who might have wished to move to the towns.²⁶

To attribute the discrepancies between actual and potential levels of urbanisation, the degree of regional variation, and the lack of inter-

²⁵ P. Hoffman, *Growth in a traditional society. The French countryside, 1450–1815* (Princeton, 1996), pp. 170–84; see also Mokyr, 'Urbanization', p. 11.

²⁶ See above, n. 22. For discussions about the effects of labour markets on urbanisation, see also J. L. van Zanden, *The rise and decline of Holland's economy. Merchant capitalism and the labour market* (Manchester, 1993), pp. 19–43; S. R. Epstein, 'The peasantries of Italy 1350–1750', in T. Scott (ed.), *The peasantries of Europe from the fourteenth to the eighteenth century* (London, 1998), pp. 97–8, 108. The reasons for persistence of dispersed proto-industry are explained along Grantham's lines by K. L. Sokoloff and D. Dollar, 'Agricultural seasonality and the organization of manufacturing in early industrial economies: the contrast between England and the United States', *Journal of Economic History* 57 (1997), 288–321.

national convergence simply to high transport and information costs is nevertheless implausible. The remarkable stability of urban ratios over a period of nearly three centuries and their weak correlation with economic performance suggest that urbanisation in most countries was trapped in low-level institutional equilibria determined by non-market forces. If so, this conclusion requires taking a closer look at the institutional factors that determined the towns' role as central places, about which the specialisation model of town–country relations has little to say.

The specialisation model assumes that urban demand generates its own agricultural supply, along the lines set out by the nineteenth-century German economist Johann Heinrich von Thünen and utilised in this volume by James Galloway, Tom Scott and Marco Belfanti. Thünen suggested that the main variable influencing agricultural supply will be the producer's transport costs to the urban market. Transport costs determine the producer price; at each price, the producer selects the crop and method of production which offer the highest return. For heuristic purposes Thünen presumed the existence of a central urban market, disregarded all transaction costs except the cost of transport to the market, and postulated that peasants would trade willingly and spontaneously on the urban market.²⁷ Thünen's deliberate abstraction is, however, inappropriate for medieval and early modern societies in which search, information, co-ordination and enforcement costs were extremely high and tariffs and politically sanctioned market power were ubiquitous.

The high transaction costs typical of pre-modern societies meant that many markets were too 'thin' for prices to signal supply and demand unambiguously.²⁸ Asymmetric information and poor co-ordination between producers and consumers created mismatches and reduced the scope of markets and trade. The resulting low-level economic equilibria could only be broken by external agents who were in a position to enforce new, more efficient 'rules of the game'.²⁹ One such agent was

²⁷ J. H. von Thünen, *Von Thünen's isolated state*, ed. P. Hall, transl. C. M. Wartenberg (Oxford, 1966), includes only Part I of Thünen's *magnum opus*, which has yet to be fully translated into English. See M. Nerlove, 'Von Thünen's model of the dual economy', in A. Maunder and A. Valdés (eds.), *Agriculture and governments in an interdependent world* (Aldershot and Brookfield, 1989), pp. 96–109.

²⁸ Grantham, 'Contra Ricardo'. For applications of Thünen's model to pre-modern agrarian economies, see also C. Reinicke, *Agrakonjunktur und technisch-organisatorisch Innovationen auf dem Agrarsektor im Spiegel niederrheinischer Pachtverträge 1200–1600* (Cologne and Vienna, 1989); J. Bieleman, 'Dutch agriculture in the Golden Age, 1570–1660', *Economic and Social History in the Netherlands* 4 (1992), 159–84.

²⁹ The consequences of co-ordination failures in pre-modern economies are discussed in Epstein, *Freedom and growth*. An equilibrium occurs when no individual agent stands to

the pre-modern town, which offered economies of scale in production and lower transport costs by concentrating production, services and demand. The town's development as a market co-ordinator, however, was restricted by both physical and institutional factors that are central to arguments in this book. Urban co-ordination could be hampered by high distances and low population densities, as in Poland (Andrzej Janeczek) and Sweden (Robert Sandberg); it could be limited by intense political and institutional fragmentation which raised barriers to trade and made inter-urban agreements more costly, as in Switzerland (Körner), Germany (Scott) and the Austro-Czech lands (Cerman and Knittler); or it could be restricted by hostile territorial monarchies or feudal lords, as occurred nearly everywhere in Europe including England, as both Galloway and Glennie remark.

The pattern of urbanisation in peripheral countries like early modern Sweden and the Polish Commonwealth described by Sandberg and Janeczek follows a political model that had been established several centuries earlier in the western European core. Medieval and early modern European towns did not emerge spontaneously from the natural operations of the market, but were the product of deliberate acts of political, legal and economic coercion. They were established (or in the case of Roman foundations, renewed) by monarchs and feudal lords; they gained economic, administrative, or political centrality by exercising chartered rights over a rural territory; and they became collective lords in their own right through the conscious usurpation of feudal power, what Max Weber termed 'non-legitimate domination'.

The evidence presented in this book suggests that the major factor determining a country's level of urbanisation between the fifteenth century and the Industrial Revolution was the extent of urban jurisdictional coercion and territorial influence established during the previous three centuries. However, because patterns of urban coercion were shaped by the strength of countervailing monarchical and feudal powers, they were also regionally very diverse. Thus towns in the Low Countries, northern Italy and central and southern Castile, where the process of the Reconquista gave cities strong rural prerogatives, displayed considerable administrative and economic independence and were therefore very large (or could rapidly increase in size when economic circumstances changed in their favour, as in Holland during the fifteenth century). By contrast, towns in northern Spain, England, Habsburg east-central Europe, the Polish Commonwealth and Sweden,

gain by defecting if the other agents stick to their actions, and is therefore self-enforcing.

which had to contend with strong monarchs or powerful feudal estates, were on average rather small.³⁰

Regional comparisons of this kind must grapple not only with the complexity of local circumstances but with the fact that in most of the ‘core’ European regions, and in some notable ‘peripheral’ ones like England, most of the basic institutions framing town–country relations were already established around 1300. Nevertheless, the most plausible reason why territorial coercion by towns showed positive returns to scale seems to be that it gave urban elites the security and financial incentives to invest in the physical infrastructure (roads and military safety) and in the institutional framework (law courts, unified measurements, and coordinated tariffs) which were needed to lower the costs of town–country trade and to establish the town’s role as a service and manufacturing hub. Coercion provided peasants with stable markets and reduced urban supply costs, lowered the risks of investment in craft training and manufacture by giving artisans a secure outlet in the countryside, and raised the benefits of urban immigration. The strong positive correlation between urban institutional power and economic development in Italy and Flanders before the Black Death shows that urban-based coercion was at that time more capable of mobilising resources and stimulating agrarian development than its institutional alternatives.³¹ However, the comparatively poor economic performance of ‘urban coercive’ regions like Italy and Flanders after 1500, and of Castile and the German-speaking lands after 1600, suggests that coercive modes of growth had reached their limits and were beginning to run into diminishing returns, as the benefits of market interventionism were outweighed by rent-seeking opportunities.³² The northern Netherlands, examined here by Hoppenbrouwers and ’t Hart, offer the only qualified exception to this rule: there, the towns’ attempts to develop into coercive city-states during the late middle ages were frustrated by an institutional framework that promoted inter-urban and urban–rural competition.

³⁰ South-eastern England could, however, benefit from proximity to the ‘urban-coercive’ conurbation stretching from the old Burgundian lands of Flanders, Holland and northern France into the German Rhineland. See B. M. S. Campbell, ‘The sources of tradable surpluses: English agricultural exports 1250–1350’, in N. Hybel and A. Landen (eds.), *The emergence of large-scale trade in northern Europe 1150–1400* (Toronto, 2000).

³¹ J. R. Hicks, *A theory of economic history* (Oxford, 1969); H. Spruyt, *The sovereign state and its competitors. An analysis of systems change* (Princeton, 1994); S. R. Epstein, ‘The rise and fall of Italian city-states’, in M. H. Hansen (ed.), *City-state cultures in world history* (Copenhagen, 2000).

³² For a recent discussion of Flemish towns and urbanisation, see P. Stabel, *Dwarfs among giants. The Flemish urban network in the late middle ages* (Leuven and Apeldoorn, 1997).

Towns and the rise of the modern state

Twentieth-century debates and controversies on the interaction between town and country have therefore tended to underscore one or the other term in a dialectical relation between coercion and freedom in markets. Political coercion was necessary to establish markets in the first place and to fix the ‘rules of the game’ that overcame incomplete information and free riding and established commercial security. Once the rudiments of markets were established, however, the laws of demand and supply had to be allowed into play; if legal privilege and rent-seeking were allowed free rein, the result was simply market fragmentation, inefficient resource allocation, and dead-weight costs.

Under the fragmented political conditions prevailing in the high middle ages, coercion could be exercised equally by territorial monarchs, local feudal lords, or towns. Towns, however, seem to have provided the most effective solution because their elites had the strongest incentives and the best economic, administrative and political skills to co-ordinate reciprocally beneficial trading relations with the countryside. Where power was more centralised, as in medieval and early modern England and Sweden, the monarchs’ fear of turning towns into rival power bases led them to set strict limits to urban prerogatives. On the other hand, political centralisation benefited towns by establishing shared commercial rules and legal parameters for town–country relations across the whole country.

In England, however, where political centralisation was achieved several centuries before Sweden, a fully unified institutional framework could be taken largely for granted already by the fourteenth century and thereafter became – at least for modern historians – largely invisible. Where, by contrast, political authority remained parcellised and towns could not achieve independence, as in early modern Castile, Poland and in part in the Austro-Czech lands, towns benefited neither from coercion nor from an institutionally integrated market. Habsburg Castile and the Polish Commonwealth were in many ways at the opposite ends of the institutional spectrum, epitomising ‘absolutist’ centralisation and ‘federal’ autonomy respectively; nevertheless, town–state relations in the two countries during the sixteenth and seventeenth centuries followed a similar trajectory typified by vast numbers of new town foundations. Despite the fact that town settlements in Castile were promoted largely by the crown, whereas they were generally initiated by feudal lords in the Polish lands, Janeczek and Sánchez León’s descriptions of their effects are analogous. In both countries, urban fortunes were defined more by political than by market success: extensive

economic privileges protected new towns from market competition, created incentives for rent-seeking, and caused institutional and commercial fragmentation.

Even where the town exercised state power itself, as in late medieval Tuscany and the early modern Venetian state discussed by Belfanti, political and institutional interaction between towns and state power set the balance between coercion and markets. Most early modern states were composed of a patchwork of overlapping, competing or ranked jurisdictions, rights and 'liberties' which rulers had to come to terms and bargain with. Many of those rights and liberties were vested in towns, and many of them defined the towns' relations with their rural hinterland. The process of negotiating and redefining such rights, and the rebellions and unrest triggered by a breakdown in negotiations when the state's demands were deemed too intrusive, are an integral part of the history of early modern states and markets. They figure prominently in the chapters on the Dutch Republic, Castile and the Italian Mezzogiorno.

Underlying these discussions is an important debate led by Charles Tilly, Wim Blockmans and others on the role of pre-modern towns in European state formation. According to them, different trajectories of European state formation resulted from a fundamental conflict of interests between urban 'capitalists', who benefited from open travel and communication and wished to remain politically unencumbered, and 'coercive' monarchs, who milked the capital-rich towns for taxes to achieve full sovereignty within clear political boundaries. Urban capitalism could therefore only flourish beyond the reach of the more powerful monarchies where towns were strong and states weak.³³

Tilly and Blockmans recognise that relations between states and towns also rested upon a bargaining process based upon the late medieval principle of 'no taxation without representation'; yet the dichotomy they draw hides more than it reveals. It appears to be contradicted by the evidence that strong political autonomy *hindered* urban growth in early modern Italy, Castile, Flanders and Germany; it also underestimates the complex articulation between the economic functions of pre-modern towns and their political and institutional powers. Urban economies relied to varying degrees on forms of rural coercion and on their roles as political, administrative or religious centres within

³³ C. Tilly and W. P. Blockmans (eds.), *Cities and the rise of states in Europe, A.D. 1000 to 1800* (Boulder, CO, 1994). Following Max Weber, *Economy and society*, and Otto Hintze, *The historical essays of Otto Hintze*, ed. F. Gilbert (New York, 1975), Perry Anderson in *Lineages of the absolutist state* (London, 1974) similarly argues that the 'parcellisation of sovereignty' and 'free towns' were preconditions for European capitalism.

urban hierarchies framed and articulated by the state. Early modern towns frequently benefited from state growth, be it directly, as in peripheral and under-urbanised countries like Sweden (Sandberg), the Polish Commonwealth (Janeczek) or Habsburg Castile (Sánchez León), where rulers actively supported old towns and founded new ones, or indirectly, and perhaps more significantly, through state influence over the political geography of trade and markets – in Holland (Hoppenbrouwers, 't Hart), where actions by the provincial government to limit individual towns' pretensions may have hurt individual towns in the short term, but benefited the entire urban sector over the longer run; in Austria (Cerman and Knittler), where the monarchy protected royal towns against feudal offensives; in Germany (Scott), where territorial princes mediated between urban manufactures and proto-industries at the regional level; in Switzerland (Körner), where the urban republics and their allied regions got payments from Swiss mercenary forces to pay off their debts; or in England (Galloway, Glennie), where a highly centralised monarchy dispensed justice and political stability to all.

While states did not hesitate to punish towns for political insubordination – witness the penalties meted out to the rebellious Flemish cities during the regency of Maximilian I of Austria (1482–94) and to Castilian cities after the revolt of the *Comuneros* (1520–1)³⁴ – for most towns the hypothetical city-state alternative to monarchical rule was not necessarily much better. For example, despite the fact that towns paid lower taxes than the countryside under virtually all constitutional regimes including monarchies, the chapters on Castile, Italy, southern Germany and Holland suggest that city-states with the authority to tax exploited the small and medium-sized towns under their control far more ruthlessly than monarchs. Nor did towns left to their own devices work particularly well together. Failure to co-operate effectively and durably ultimately led to the collapse of urban federations like the north European Hansa and of territorial republics like Florentine Tuscany; the lack of urban co-ordination caused the failure of several concerted revolts during the later middle ages and of the Neapolitan revolution of 1647;³⁵ while deep-seated and justified suspicion of their peers explains

³⁴ See M. Boone, 'Destroying and reconstructing the city. The inculcation and arrogation of princely power in the Burgundian–Habsburg Netherlands (14th–16th centuries)', in M. Gosman, A. Vanderjagt and J. Veenstra (eds.), *The propagation of power in the medieval West* (Groningen, 1997), pp. 1–33; S. Haliczzer, *The Comuneros of Castile. The forging of a revolution 1475–1521* (Madison, 1981).

³⁵ For urban failure to co-operate, see Spruyt, *The sovereign state*; Epstein, 'The rise and fall'. For failed urban rebellions, see above, note 34; G. Chittolini, *Città, comunità e feudi negli stati dell'Italia centro-settentrionale (XIV–XVI secolo)* (Milan, 1996), ch. 9; R. Villari, *La rivolta antispagnola a Napoli. Le origini (1585–1647)* (Bari, 1976).

why the Dutch cities chose a town with no political or commercial powers like The Hague as the Republic's capital, and why their underlying conflicts of interest could turn into a debilitating institutional deadlock after the end of the wars with Spain.³⁶ Underlying these political failures was the towns' ingrained hostility towards voluntary co-ordination.

In counterpoise to one of this book's central themes, that of the rise and consolidation of more complex and integrated urban hierarchies and networks which reflected the growth of market integration and functional specialisation, can be found the description of the many institutional obstacles to market integration and specialisation arising from the towns themselves. Not least among such obstacles were urban jurisdictional claims over trade and manufacture in the countryside. Thus, towns in Holland, Castile, Habsburg central Europe and elsewhere systematically opposed the creation of new rural markets and fairs after the Black Death; Italian, German, Swiss, Dutch and French towns protected their supplies of grain and raw materials by setting up staples and elaborate commercial regulations; and virtually everywhere, towns resisted concessions of jurisdictional prerogatives to 'new towns' which challenged their traditional primacy. In some regions, most notably in Holland but also in parts of north and central Germany, urban pretensions were neutralised by a competitive institutional framework; but in the many regions where towns could exercise their claims with near impunity, or where their claims were matched by equally strong counter-claims by rent-seeking feudal lords as in the Austrian, Polish and Castilian lands, the long-term economic damage could be severe.

Institutional and market particularism took many forms. In Castile, the towns' strong jurisdictional rights enhanced their centrality in the context of their rural hinterlands and sustained a period of strong urban growth during the 'long' sixteenth century; as Sánchez León demonstrates, however, each town could act as a local monopolist and had few incentives to co-operate with its neighbours, a fact which hindered regional integration and urban specialisation. The Castilian monarchy, unable to challenge the cities' prerogatives, exacerbated the problem by negotiating directly with individual towns (which undermined urban collaboration and solidarity at the regional and national levels), and by creating new chartered towns out of existing urban territories (which further fragmented regional and national markets).³⁷ In the Polish

³⁶ In addition to chapter 4 below, see M. 't Hart, 'Intercity rivalry and the making of the Dutch state', in Tilly and Blockmans, *Cities and the rise of states*, pp. 196–217.

³⁷ For the debate on Castilian urbanisation and the role of Madrid, see also I. del Val Valdivieso, 'Urban growth and royal interventionism in late medieval Castile', *Urban History* 24 (1997), 129–40; J. E. Gelabert, 'Il declino della rete urbana nella Castiglia dei secoli XVI–XVIII', *Cheiron* 6 (1989–90), 9–45; P. Sánchez León, 'El campo en la

Commonwealth and the Austro-Czech lands, towns and monarchy were politically weaker and the initiative to found competing market centres and ‘demesne towns’ came directly from the feudal aristocracy; the institutional effects on market integration were, however, analogous. Similar tensions or conflicts between towns and markets under royal and feudal authority existed in the kingdom of Naples.³⁸ In Germany, the shifting balance of power between emperor, territorial princes, the feudal aristocracy, and imperial, feudal and independent cities, gave rise to endless permutations of the same underlying theme of jurisdictional fragmentation and failure of market co-ordination.³⁹

It was previously remarked that the propensity for towns to exert jurisdictional coercion over the hinterland also created opportunities for political and economic rent-seeking, and that jurisdictionally powerful towns consequently opposed actions that challenged their customary rights and hastened territorial integration. The essays in this book make clear that late medieval and early modern states did not come into conflict with towns primarily over rights to free trade – which in most cases was in fact supported by central states – and over capital mobility, as argued by Tilly and Blockmans, but over claims to exercise legal, political and economic prerogatives which gave rise to market power and fiscal revenue. Blockmans’s recent demonstration that the persistence of major discrepancies in the fiscal burden between town and countryside and across provinces in the Burgundian and Habsburg Low Countries was caused by urban and feudal opposition to fiscal and institutional integration, provides a good example of the difficulties that pre-modern European states faced in overcoming politically legitimate vested interests.⁴⁰ Similar co-ordination failures also arose in poorly urbanised countries like the Polish Commonwealth, the Austro-Czech lands, and the kingdom of Naples, where local aristocracies used their fiscal and political rights to divert trade from existing towns to their own markets. There, as in Castile and Germany, quasi-monopolistic competition between market towns stimulated rural commercialisation and small-town urbanisation during the long sixteenth-century expansion, but led to the near collapse of domestic trading systems during the demographic,

ciudad y la ciudad en el campo: urbanización e instituciones en Castilla durante la Edad Moderna’, *Hispania* 58 (1998), 439–70; D. R. Ringrose, ‘Historia urbana y urbanización en la España moderna’, *Hispania* 58 (1998), 489–512.

³⁸ S. R. Epstein, *An island for itself. Economic development and social change in late medieval Sicily* (Cambridge, 1992), ch. 8.

³⁹ Developmental impasse in the early modern Rhineland caused by territorial fragmentation and market failure is examined by T. Scott, *Regional identity and economic change. The upper Rhine, 1450–1600* (Oxford, 1997).

⁴⁰ W. P. Blockmans, ‘The Low Countries in the middle ages’, in R. Bonney (ed.), *The rise of the fiscal state in Europe c.1200–1815* (Oxford, 1999), pp. 281–308.

military and economic disruptions of the seventeenth century, when individual towns and lords took refuge behind their privileges and moved towards commercial autarchy.

Successful integration required strong – that is, weakly contested – states, be they the English variety whose relations with towns were by and large consolidated by the late middle ages,⁴¹ or the Swedish variant which overcame the co-ordination problems arising from its thinly scattered population by establishing urban hierarchies, a town–country division of labour, regional specialisation and inter-regional trade networks through a combination of formal legislation and outright coercion, but then refrained from further intervention.⁴² The state’s role in overcoming jurisdictional deadlock is apparent also where towns and feudal lords were able to put up stronger opposition, as in Lombardy and the Venetian Terraferma, late seventeenth-century France, and eighteenth-century Austria, where the Habsburgs’ attack on urban and feudal privilege led to rapid economic expansion after 1720. The major exception to this rule, the Dutch Republic, managed to survive the centrifugal pressures of urban rivalry in part because of the significant powers assigned to the rural villages and the aristocracy arising from the complex mixture of provincial and ‘national’ institutions inherited from the Habsburgs, and in part because of the glue provided by the war of independence against Spain (1578–1648). As ’t Hart has argued elsewhere, however, once the external threat dissolved, the absence of an authoritative centre allowed the country’s elites to backslide into traditional forms of urban rent-seeking.⁴³ Despite being bound together by a similarly complex mixture of transalpine trade, Habsburg and French threats, and institutional compromise between city- and peasant states described here by Körner and Scott, the Swiss Confederation never achieved the same degree of integration because it never faced the same kind of concerted external military aggression.

⁴¹ D. Palliser, ‘Towns and the English state, 1066–1500’, in D. M. Palliser and J. R. Maddicott (eds.), *The medieval state. Essays presented to James Campbell* (London and Rio Grande, 2000), pp. 127–45.

⁴² In other words, state coercion raised the returns to specialisation in Sweden, which in turn increased the optimal size of the urban population.

⁴³ Above, note 36; M. ’t Hart, *The making of a bourgeois state: war, politics and finance during the Dutch Revolt* (Manchester, 1993). For disagreement between towns in Holland before the end of the war with Spain, see also J. Israel, ‘The Holland towns and the Dutch–Spanish conflict, 1621–1648’, *Bijdragen en mededelingen betreffende de geschiedenis der Nederlanden* 94 (1979), 41–69. For rent-seeking, see J. de Vries and A. W. van der Woude, *The first modern economy. Success, failure, and perseverance of the Dutch economy, 1500–1815* (Cambridge, 1997); van Zanden, *Rise and decline*.