The Lion’s Share

This is the most in-depth analysis of inequality and social polarization ever attempted for a preindustrial society. Using data from the archives of the Venetian Terraferma, and compared with information available for elsewhere in Europe, Guido Alfani and Matteo Di Tullio demonstrate that the rise of the fiscal-military state served to increase economic inequality in the early modern period. Preindustrial fiscal systems tended to be regressive in nature, and increased post-tax inequality compared to pre-tax – in contrast to what we would assume is the case in contemporary societies. This led to greater and greater disparities in wealth, which were made worse still as taxes were collected almost entirely to fund war and defence rather than social welfare. Though focused on Old Regime Europe, Alfani and Di Tullio’s findings speak to contemporary debates about the roots of inequality and social stratification.

Guido Alfani is Professor of Economic History at Bocconi University. His recent works include Calamities and the Economy in Renaissance Italy: The Grand Tour of the Horsemen of the Apocalypse and, with Cormac Ó Gráda, Famine in European History.

Matteo Di Tullio is a research fellow in early modern history at Pavia University and a member of the Dondena Centre at Bocconi University. He is the author of The Wealth of Communities: War, Resources and Cooperation in Renaissance Lombardy.
Cambridge Studies in Economic History

Editorial Board

Gareth Austin: University of Cambridge
Stephen Broadberry: University of Oxford
Sheilagh Ogilvie: University of Cambridge
Şevket Pamuk: Bogaziçi University
Gavin Wright: Stanford University

Cambridge Studies in Economic History comprises stimulating and accessible economic history which actively builds bridges to other disciplines. Books in the series will illuminate why the issues they address are important and interesting, place their findings in a comparative context, and relate their research to wider debates and controversies. The series will combine innovative and exciting new research by younger researchers with new approaches to major issues by senior scholars. It will publish distinguished work regardless of chronological period or geographical location.

A complete list of titles in the series can be found at:
www.cambridge.org/economichistory
The Lion’s Share

_Inequality and the Rise of the Fiscal State in Preindustrial Europe_

Guido Alfani
Università Commerciale Luigi Bocconi, Milan, Italy

Matteo Di Tullio
Università degli Studi di Pavia, Italy
Contents

List of Figures
List of Tables
Acknowledgements

Introduction

1 The Venetian Fiscal System: Centre and Periphery
1.1 The General Development of the Republic’s Fiscal System: Venice and the Birth of the Domain on the Terraferma (Late Fourteenth to Fifteenth Centuries) 19
1.2 The Rise of the Venetian Fiscal State (Sixteenth to Eighteenth Centuries) 26
1.3 Between Continuity and Change: The Local Fiscal Systems 34
1.4 Sources and the Database 47

2 The Rich and the Poor
2.1 Social Stratification and Poverty: An Analysis of the Literature 57
2.2 How Many Poor? 63
2.3 How Many Rich? 72
2.4 Making It to the Top: Composition and Behaviour of the Rich 76
2.5 The Prevalence of the Rich and the Poor in the Republic of Venice and Elsewhere in Italy: A Comparative Overview 85

3 Economic Inequality in the Long Run
3.1 Some Preliminary Clarifications on Data and Measures 92
3.2 Inequality in City and Country 95
3.3 The Happy Few: Wealth Concentration and Socio-economic Polarization 104
3.4 Plague, Inheritance and Inequality 112
3.5 Citizens, Church and the Venetians in Padua and Its Province 121
3.6 Economic Inequality across the Republic of Venice and Italy 126

4 Taxation, Redistribution and Inequality
4.1 The Debate on the Causes of Long-Term Inequality Growth across Preindustrial Europe 133
4.2 The Redistributive Impact of the Early Modern Fiscal State 145
4.3 Measuring Redistribution: Taxation 152
## Contents

4.4 Measuring Redistribution: Public Expenditure................................................. 165
4.5 Conclusion: The Rise of the Fiscal State as a Main Driver of Inequality Growth across Early Modern Europe .................................................. 174

**Appendix:** Building Regional Distributions of Wealth for the Republic of Venice and for Veneto ................................................................. 181
A.1 The Method Used: An Overview ................................................................. 181
A.2 Building Rural and Urban Distributions ...................................................... 182
A.3 Building the Regional Distribution(s) ......................................................... 187
A.4 Further Refinements: Accounting for the Propertyless and for the Capital City of Venice .............................................................. 193

Archival Sources ..................................................................................................... 200
Printed Sources ........................................................................................................ 201
Bibliography ............................................................................................................ 202
Index .......................................................................................................................... 226
Figures

1.1 The trend of the state revenues of some Italian and European states page 32
1.2 Communities in the database (political boundaries of the Republic of Venice ca. 1560) 55
2.1 Prevalence of the poor, with and without the propertyless (Bergamo and Padua, 1500–1750) 71
2.2 Prevalence of the rich, with and without the propertyless (Bergamo and Padua, 1500–1750) 76
2.3 Long-term trends in the prevalence of the poor and the rich in central-northern Italy, 1500–1750 88
3.1 Long-term trends in economic inequality 99
3.2 Economic inequality in city and country: the case of Padua, 1550–1700 103
3.3 Wealth inequality, with and without the propertyless (Bergamo and Padua, 1537–1704) 105
3.4 Share of wealth owned by 10% top rich 107
3.5 Wealth distribution in Bergamo, before and after the 1630 plague 117
3.6 Long-term trends in economic inequality in central-northern Italy, 1450–1750 129
3.7 Social and economic polarization in the Republic of Venice (Terraferma) and in the Sabaudian State, 1500–1800 130
4.1 Long-term trends in economic inequality in Italy and the Low Countries, 1500–1800 135
4.2 Estimates of per capita GDP in Italy and the Low Countries, 1500–1800 137
4.3 Population and urbanization rates in the Republic of Venice (Italian territories only), 1450–1800 138
4.4 Estimates of per capita tax pressure across Europe, sixteenth to eighteenth centuries 146
4.5 Direct and indirect taxation in the Republic of Venice (Terraferma), 1550–1750 154
<table>
<thead>
<tr>
<th>viii</th>
<th>List of Figures</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.6</td>
<td>Regressiveness of the fiscal system of the Republic of Venice (Terraferma), 1550</td>
</tr>
<tr>
<td>4.7</td>
<td>Regressiveness of the fiscal system of the Republic of Venice (Terraferma), 1550–1750</td>
</tr>
<tr>
<td>4.8</td>
<td>Share of the budget of the Republic of Venice spent on the military and on servicing the public debt, 1575–1780</td>
</tr>
<tr>
<td>A.1</td>
<td>Urban inequality in the Republic of Venice (Terraferma)</td>
</tr>
<tr>
<td>A.2</td>
<td>Rural inequality in the Republic of Venice (Terraferma)</td>
</tr>
<tr>
<td>A.3</td>
<td>Rural/urban average wealth ratio in the province of Padua, 1500–1750</td>
</tr>
<tr>
<td>A.4</td>
<td>Inequality in the Republic of Venice (Terraferma), 1500–1750</td>
</tr>
<tr>
<td>A.5</td>
<td>Inequality in Veneto, 1500–1750</td>
</tr>
<tr>
<td>A.6</td>
<td>Share of the top rich in the Republic of Venice (Terraferma), 1500–1750</td>
</tr>
<tr>
<td>A.7</td>
<td>The prevalence of the propertyless in the Republic of Venice (Terraferma), 1500–1750</td>
</tr>
<tr>
<td>A.8</td>
<td>Inequality in the Republic of Venice (Terraferma) including the propertyless, 1500–1750</td>
</tr>
<tr>
<td>A.9</td>
<td>Inequality in the Republic of Venice (Terraferma plus Venice), 1500–1750</td>
</tr>
</tbody>
</table>
### Tables

1.1 Provincial division of the ordinary ‘subsidy’ (ducats) page 30
1.2 Composition of the database 52
2.1 The propertyless in Bergamo and Padua (%) 65
2.2 The prevalence of the poor, 1450–1800 (%) 69
2.3 The prevalence of the rich, 1400–1800 (%) 73
2.4 The rich and the poor in the Republic of Venice (*Terraferma*), 1450–1750: the overall picture 87
3.1 Wealth inequality, 1400–1800 (Gini indexes) 96
3.2 The share of the top 5% and 10% rich, 1400–1800 106
3.3 Economic polarization in the Republic of Venice (*Terraferma*), 1400–1800: interdecile shares 110
3.4 Urban mortality rates in the Republic of Venice during the 1575–77 and 1629–30 plagues (mortality rates per thousand) 115
3.5 Inequality in the province of Padua, 1627–1694 125
3.6 Economic inequality in the Republic of Venice (*Terraferma*), 1400–1750: the overall picture 128
4.1 Urbanization rates in Italy and the Low Countries, 1500–1800 (cities >5,000 inhabitants) 141
4.2 Fiscal pressure per socio-economic stratum in the Republic of Venice (*Terraferma*) in 1550 158
4.3 Fiscal pressure per socio-economic stratum in the Republic of Venice (*Terraferma*) in 1750 161
4.4 Expenditures of the Republic of Venice by destination, 1582–1780 (% of total) 167
4.5 Composition of the social expenditures of the Republic of Venice, 1736–1780 (ducats) 168
A.1 Communities included in the reconstruction of the wealth distribution of the Republic of Venice (*Terraferma*) 183
A.2 Relative average household wealth in provinces of the *Terraferma* 185
A.3 Overall population and urbanization rates in the Republic of Venice (Italian territories only), 1450–1800 190
A.4 Wealth concentration in the Republic of Venice (various aggregates), 1500–1750 199
Acknowledgements

In writing this book, we have accumulated vast debts of gratitude towards many colleagues who have kindly provided advice and support. We would first like to express our sincere thanks to Samuel K. Cohn, Alessio Fornasin, Maria Fusaro, Matthieu Scherman and Andrea Zannini for their comments on early versions of the manuscript. Further valuable advice came from the anonymous referees selected by Cambridge University Press. Andrea Caracausi, Claudio Lorenzini, Marcella Lorenzini and Germano Maifreda were generous with their advice about historical sources and useful literature; Carlo Devillanova and Paola Profeta provided counsel about public finance and taxation theory; and Richard Paping kindly provided information about urbanization rates in the Dutch Republic.

We are also grateful to the colleagues who have taken part at seminar presentations of our research and provided useful feedback, at Bocconi University, Geneva University, the London School of Economics, the Stone Center of the City University of New York and Yale University. Early versions of this research were also presented at the XVIIIth World Economic History Conference held in Boston in 2018 and at the Twelfth European Social Science History Conference held in Belfast in the same year. We are particularly grateful for the long conversations we had with Peter Lindert and Branko Milanovic, from whose expertise on inequality we profited greatly, and with Francesca Trivellato, who shared her deep knowledge of Venetian history.

The research leading to these results has received funding from the European Research Council under the European Union’s Seventh Framework Programme (FP7/2007–2013)/ERC Grant agreement No. 283802, EINITE (Economic Inequality across Italy and Europe, 1300–1800). Given the large amount of new archival research that was required to complete our project, it is a sure fact that without European generosity this book would never have been written, or would have been much more limited in scope.
To come to life, a book also needs the right research environment. We are grateful to Bocconi University, and particularly to the Dondena Centre that hosted the EINITE project, for providing such an environment. Our gratitude of course extends to the many colleagues and friends at Bocconi who provided continuous support, encouragement and advice. Part of the book was written during a period spent abroad at the Institute for the Advanced Studies in the Humanities of the University of Edinburgh, in summer 2017, to which we are also grateful.

Special thanks go to the Bocconi Library, particularly to the staff of the interlibrary loan service, whose competence has always been a crucial asset for our research. We are also grateful to the staff of the many archives that we consulted for their help in chasing the historical sources we needed.

Finally, our largest and most obvious debt is towards our families, who have patiently supported us throughout the long years needed to complete this book.