



BRILL

Historical Materialism 19.3 (2011) 106–146

historical materialism

research in critical marxist theory

brill.nl/hima

Marxism and the ‘Dutch Miracle’: The Dutch Republic and the Transition-Debate

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Abstract

The Dutch Republic holds a marginal position in the debate on the transition from feudalism to capitalism, despite its significance in the early stage of the development of global capitalism. While the positions of those Marxists who did consider the Dutch case range from seeing it as the first capitalist country to rejecting it as an essentially non-capitalist commercial society, all involved basically accept an image of Dutch development as being driven by commerce rather than real advances in the sphere of production. Their shared interpretation of the Dutch ‘Golden Age’, however, rests on an interpretation of Dutch economic history that does not match the current state of historical knowledge. Rereading the debate on the Dutch trajectory towards capitalism in the light of recent economic historiography seriously challenges established views, and questions both major strands in the transition-debate.

Keywords

Dutch Republic, capitalism, feudalism, transition-debate, Netherlands, bourgeois revolution, history, Marx, Smith

Introduction¹

The Dutch case has long puzzled historians of the transition from feudalism to capitalism.² Here is a country that, to all outside appearances, attained

1. The names given to the area that today comprises the Netherlands are cause for some confusion. In early-modern times, ‘the Netherlands’ and ‘Low Countries’ were used both for present-day Belgium (the Southern Netherlands or Southern Low Countries) and the Netherlands (the Northern Netherlands or Northern Low Countries). These areas did not form a nation, but a collection of formally independent provinces. Holland was one of those provinces, in the North-West, as was Flanders in the South. The name ‘Holland’ is often used to describe the whole of the present-day Netherlands (as by Marx in many of the here-quoted passages), but, strictly speaking, this is wrong. After the Revolt against Spain, the Southern Netherlands remained part of the (Spanish and, later, Austrian) Habsburg Empire, while the Northern Netherlands formed a state, alternatively called the Dutch Republic or the United Provinces.

2. I would like to thank the participants at the Fifth *Historical Materialism* Annual Conference

capitalistic features from a very early stage in its history. If nothing else, even its art would have helped to shape public notions of early-modern Dutch society in this direction. The many group-portraits of the merchant-élite governing the Dutch Republic bear the unmistakable marks of a society driven by the logic of commodity-production. Whether exercising control over the quality of textile-production, administrating an orphanage or overseeing an almshouse, the core-business of the men and women portrayed was making money. Rembrandt's *staalmeesters*, the syndics of the cloth-makers guild, are bent over the account-book they were discussing just a moment before the audacious spectator forced them to temporarily cease their business. Simply on the basis of its self-representation, many will agree with the Dutch historian Huizinga who described Dutch civilisation of the seventeenth century as 'thoroughly bourgeois'.³

However, the question of whether the social structures underpinning this culture were capitalist or merely highly urbanised and *bürgerlich*⁴ remains hotly disputed. After all, despite the flourishing of its seventeenth-century 'Golden Age', the Dutch Republic was not the location of an early industrial revolution. After a brief spell in which Amsterdam acted as the central entrepôt of world-trade and the geographically tiny Republic reached the status of a global superpower, a period of decline set in which saw the locus of economic growth and military might shift decisively away from the sandy shores of the province of Holland. For many, this signifies that the United Provinces, at best, represented a preliminary stage to real capitalist development – a prime example of a failed transition to industrial society⁵ and, at most, a detour in the process of capitalist state-formation.⁶ Non-Marxist and Marxist historians alike can be found on either side of this debate. The main focus of this article will be on the latter, but, of course, there is a high level of mutual influence.⁷

(November 2008) and the Economic History Lunch-Seminar of Utrecht University (March 2009) for their willingness to engage with me in this puzzle. Special thanks are due to Bas van Bavel, Neil Davidson, Jessica Dijkman, the late and greatly-missed Chris Harman, Marjolein 't Hart, Maarten Prak, Maina van der Zwan, and the two anonymous referees for their detailed comments and suggestions on earlier drafts, as well as for sharing unpublished material. Naturally, they do not share any responsibility either for the theoretical direction taken or for any mistakes this article contains.

3. Huizinga 1941, p. 62.

4. As is the main focus of studies such as Prak 2010.

5. Krantz and Hohenberg (eds.) 1975.

6. Lachmann 2002, p. 147.

7. For some influential non-Marxists who treat the Dutch Republic as a 'modern' phenomenon, see North and Thomas 1973, Kennedy 1989, and De Vries and Van der Woude 1997.

Within the wider debate on the transition from feudalism to capitalism, the Dutch Republic occupies a marginal position at best.⁸ But, even so, the position taken by different authors, often only in passing and based on very general perceptions of Dutch history, is of significance for their overall views on the rise of capitalism. The Dutch Republic is the obvious contender to Britain in producing the first ‘really-existing capitalist country’. Rejecting or accepting this case therefore tells us something important about the supposed uniqueness of the British experience. Given that much of this debate has been cast as a discussion on ‘why Britain succeeded where the rest failed’, the Dutch case becomes an interesting point for corroboration.

The aim of this article is twofold. First, it is to locate the debate on the nature of the Dutch Republic within the wider transition-debate, tracing back the roots of the different positions to the scattered comments of Smith and Marx on this subject. However, many of the arguments used in this debate are based on a model of Dutch ‘merchant-capitalism’ that is scantily worked out, often stereotypical, and which on the whole does not correspond to the findings of state-of-the-art historiography on early-modern Dutch society. The second objective of this article is therefore to provide an alternative for this standard interpretation that is more firmly grounded in Dutch economic historiography. Central to the alternative narrative laid out in the second part of this article is the ‘urban-agrarian symbiosis’ that arose in the course of the late-medieval period. This particular interrelationship was the founding stone of Dutch success in the seventeenth-century ‘Golden Age’. It was based primarily on a transformation in production, not on the expansion of international trade. But it did allow the Northern Netherlands, particularly after the revolt against the Spanish Habsburgs and the establishment of the Dutch Republic, to profit from this expansion in a qualitatively different way than previous trading empires had done. Although this basis was not sufficient for the Netherlands to complete the transition to industrial capitalism in its own right, the advances made by Dutch capital did become a major contributing factor to the final and more definitive breakthrough of capitalism elsewhere. Treating the Dutch case thus not primarily as a failed transition to capitalism, but as one stage in a fundamentally and *a priori* international process of transformation can also help to overcome the Anglocentrism that in the past has characterised much of the debate.

8. See the various contributions in Hilton (ed.) 1976 and Aston and Philpin (eds.) 1985. For an overview of Dutch Marxist historiography on the early-modern period, see Van der Linden 1997.

The Dutch Republic in the transition-debate

The position taken by different Marxist historians on the Dutch Republic is roughly correlated to the two great alternative strands in the transition-debate. The first argues that the rise of capitalism was primarily driven by the expansion of trade, leading to the dissolution of feudal relations ‘from the outside’ and transforming the social structure in turn. The second focuses on the less visible and spectacular (but ultimately more profound) changes that took place at the point of production. Among the latter group, probably the most eminent today are those who, following Robert Brenner, argue that the main changes leading to the transition to capitalism took place in what they call the ‘social-property relations’ in agriculture.⁹

It will come as no surprise that the most enthusiastic endorsement of the Dutch Republic as a capitalist state has come from those such as Immanuel Wallerstein who are firmly on the ‘commercialisation’-side of the discussion. For Wallerstein, the rise of the Dutch coincided with the real breakthrough of the modern world-system in the sixteenth century. The motor of both processes was the expansion of European trade, accelerated by the subjection of the Americas. The United Provinces, freeing themselves from the grip of the Habsburg Empire during the Eighty-Years War (1568–1648), could build on their previously acquired strong position in Baltic trade. From there they established a trading empire that provided them with the wealth needed to keep their position at the top of the European hierarchy during the remainder of the seventeenth-century ‘Golden Age’.¹⁰ Admittedly, Wallerstein does accord production a prominent rôle in his account of the strength of the Republic. He even makes the assertion that ‘success in mercantilist competition was primarily a function of productive efficiency and that the *middle*-run objective of all mercantilist state policies was the increase of overall efficiency in the sphere of production.’¹¹ He proceeds to trace this efficiency in both Dutch agriculture and manufacture. Nevertheless, the picture he paints of Dutch productive development still ultimately stems from the primacy that Wallerstein assigns to trade. Production, both for early-modern and for late-capitalist hegemonic powers, is primarily a tool for domination in the process of unequal exchange with their peripheries. And it was here that the Dutch Republic supposedly set the mark for all of its successors.

9. A description of the two main strands in the debate from an essentially ‘outside’ or third perspective can be found in Harman 1989 and Harman and Brenner 2006.

10. Wallerstein 1980, p. 46.

11. Wallerstein 1980, p. 38.

In his challenging long-term vision of the history of world-capitalism, the late Giovanni Arrighi pushed this model still further away from questions concerning production. His account of the ‘Dutch Systemic Cycle of Accumulation’ puts even more stress on the commercial and financial nature of Dutch hegemony that lasted far into the eighteenth century.¹² It was the superior banking techniques at the Amsterdam Bourse that ensured that ‘the upper strata of the Dutch merchant class remained the leaders and governors of the European capitalist engine. Throughout this period, the Amsterdam Bourse remained the central regulatory mechanism through which idle capital was rerouted towards new trade ventures’.¹³

Against these trade and finance-centred accounts stand those which look for the origins of capitalism primarily in the sphere of production. In the main, this has led these authors to a more negative estimation of the impact of Dutch development on the emergence of capitalist relations. Of course, they allow as well for some important capitalist elements evolving in the Low Countries (comprising the medieval-Flemish and Brabant centres of trade and production as well as the Northern Netherlands). However, writers such as Maurice Dobb tended to see the subordination of production to trade as an insurmountable barrier to capitalist growth beyond a ‘promising and precocious adolescence’. The position taken by Dobb is the mirror-image to the Wallerstein-Arrighi approach: ‘It would seem as though the very success and maturity of merchant and money-lending capital in these rich continental centres of *entrepôt* trade, instead of aiding, retarded the progress of investment in production; so that, compared with the glories of spoiling the Levant or the Indies or lending to princes, industrial capital was doomed to occupy the place of a dowerless and unlovely younger sister.’¹⁴ The rise of capitalist production was not aided, but hindered, by the dominance of international trade.

Eric Hobsbawm put this argument in an international context in his seminal article, ‘The Crisis of the Seventeenth Century’. He argued that the embeddedness of Dutch commerce in a still-feudal European system of trade, reflecting the underdeveloped nature of productive capacities in the home-market, put constraints on its economic development that the Republic was not able to break. Even at the peak of its seventeenth-century splendour, the Netherlands remained ‘in many respects a “feudal business” economy; a Florence, Antwerp or Augsburg on a semi-national scale.’¹⁵ In line with the Brenner thesis, Ellen Meiksins Wood has recently extended this argument to

12. Arrighi 2002, pp. 127–44.

13. Arrighi 2002, p. 140.

14. Dobb 1963, p. 160; compare p. 195.

15. Hobsbawm 1967, pp. 44–5.

questions of agricultural change. For her, instead of being forced to invest by the competitive pressure of rival capitals, Dutch merchants and (crucially) commercial farmers only made clever use of market-opportunities as a temporary strategy.¹⁶ The main interest of the ruling class did not reside in accumulation and ‘improvement’ in production, but in public office as a means to control monopolistic trading advantages. When international trading opportunities declined under pressure of the seventeenth-century crisis, the Dutch élite fully withdrew to ‘political accumulation’. For Wood, ‘the Dutch Republic enjoyed its Golden Age not as a capitalist economy but as the last and most highly developed non-capitalist commercial society’.¹⁷

The Dutch Republic in Smith and Marx

The authors cited differ significantly in their analysis of Dutch society and its place within the wider transition. But they do share a similar appreciation of the sources of Dutch wealth. Whether they put more emphasis on the European bulk-carrying trade or the colonial luxury-trade, all agree that commerce was at the origin of the Dutch ‘Golden Age’. Production is viewed from the angle of this commercial success, not as a factor in itself. In taking the merchant-regent as the essential Dutch character, they can build on a large body of popularising literature well-known in the English-speaking world.¹⁸ The pedigree of this view goes back to the eighteenth century, if not earlier, when the Dutch Republic – not completely realistically – was held up as a successful example of the unfettered rule of free trade.¹⁹ The writings of seventeenth- and eighteenth-century pamphleteers and early political economists such as Petty and Davenant formed the limited sources from which both Adam Smith and Karl Marx drew their views on the Dutch Republic.

For Adam Smith, the Dutch Republic was the prime example of a purely commercial society. This country, he wrote in a passage extolling the advantages of a free-port system, ‘not only derives its whole wealth, but a great part of its necessary subsistence, from foreign trade’.²⁰ Elsewhere, Smith again takes foreign trade as the basis of Dutch success: ‘Holland, in proportion to the extent of the land and the number of its inhabitants, by far the richest country

16. Wood 2002a, p. 90; Wood 2002b.

17. Wood 2002a, p. 94. Very similar arguments can be found in Teschke 2003, pp. 136 and 208, and Dumolyn 2004, p. 257.

18. For example, Barbour 1950, Boxer 1965 and Wilson 1968.

19. Nijenhuis 2002, p. 118, and Reinert 2009, pp. 30ff.

20. Smith 1999b, p. 76.

in Europe, has... the greatest share of the carrying trade of Europe.²¹ He suggested that the Dutch primacy in European trade was still a fact in the second half of the eighteenth century.²² Low interest-rates stimulated the Dutch bourgeoisie not to let their money lay idle and invested the whole of society with a mercantile frame of mind. 'It is there unfashionable not to be a man of business. Necessity makes it usual for almost every man to be so, and custom everywhere regulates fashion.'²³ Writing in the decade running up to the fourth Anglo-Dutch War, Smith of course acknowledged that the leading position of the Dutch was not entirely due to free trade. Military strength played an important rôle as well.²⁴ But, on the whole, it was the favourable attitude taken by the Dutch rulers to the interests of free trade that formed the main reason for its success. This attitude was promoted by the fact that merchants themselves ruled the country:

The republican form of government seems to be the principal support of the present grandeur of Holland. The owners of great capitals, the great mercantile families, have generally either some direct share or some indirect influence in the administration of that government. . . . The residence of such wealthy people necessarily keeps alive, in spite of all disadvantages, a certain degree of industry in the country.²⁵

Smith provided a framework that still shapes many of the mainstream interpretations of Dutch economic history. Two hundred years after *The Wealth of Nations*, North and Thomas wrote their influential history, *The Rise of the Western World*, explicitly aimed at providing 'a framework consistent with and complementary to standard neo-classical economic theory.'²⁶ In it, they take the Netherlands to be 'the first areas of Western Europe to escape the Malthusian checks' associated with feudalism.²⁷ Like Smith, they treat trade and commerce as 'the prime mover of the Dutch economy throughout the early modern period'.²⁸ And, again following Smith, they argue that the republican political institutions were key to its success: 'it is clear that in the Netherlands property rights appropriate for the development of both an efficient product market and a short-term capital market had been created.

21. Smith 1999a, p. 473.

22. Smith 1999b, p. 40.

23. Smith 1999a, p. 199.

24. Smith 1999b, pp. 40–1.

25. Smith 1999b, p. 505.

26. North and Thomas 1973, p. vii.

27. North and Thomas 1973, p. 132.

28. North and Thomas 1973, p. 134.

The influence of those developments... permeated the entire Dutch economy.²⁹

The most elaborate version of this Smithian view can probably be found in the *magnum opus* of Fernand Braudel, *Civilization and Capitalism*. Here, Braudel tells the story of a ‘poor country’ that, due to geographical and historical coincidence, could become the nodal point between the different developing markets of Europe. Dominance in the Baltic trade, primarily the grain-trade that the Dutch called their ‘mother-trade’, was enough to propel the Dutch ‘high-voltage urban economy’³⁰ into a long period of success.³¹ ‘Once Holland had conquered the trade of Europe, the rest of the world was a logical bonus, thrown in as it were.’³² It is this view of Dutch primacy built on the founding stone of international trade that provides the framework for many mainstream interpretations of Dutch history. Mediated by the work of its twentieth-century popularisers, it constitutes the prism through which both sides in the transition-debate have consistently read Marx’s own comments on Dutch capitalism.

Marx’s approach to the Dutch case revolves around two remarks. In the first volume of *Capital*, Marx famously described Holland as ‘the head capitalistic nation of the 17th century’.³³ But this description seems to be contradicted by the passages in the third volume of *Capital*, where he stresses the limits of societies dominated by merchant-capitalism.³⁴ Accordingly, his ultimate judgement on the extent to which the Dutch Republic reached the stage of capitalism seems more negative: ‘The history of Holland’s decline as the dominant trading nation is the history of the subordination of commercial capital to industrial capital.’³⁵ Taken by themselves, these could easily be held for throw-away remarks and even for simple adaptations of Smith’s conclusions to his own theoretical framework. The notebooks now available through the *MEGA* project show that this was not the case.³⁶ They show that Marx had a keen interest in Dutch economic history, and that his observations in Volumes 1 and 3 of *Capital* were grounded in a wide reading of contemporary economic historians and pre-Smithian economic texts.³⁷

29. North and Thomas 1973, p. 141.

30. Braudel 2002, p. 180.

31. Braudel 2002, p. 282.

32. Braudel 2002, p. 207.

33. Marx 1965, p. 704.

34. Marx 1991, p. 448.

35. Marx 1991, p. 451.

36. Lourens and Lucassen 1992.

37. Marx and Engels 1983, pp. 246–8, 390–2, and 389–404.

The first thing to note is that Marx's main focus was not on the development of trade as such, but on the interconnections between trade and production. In Volume 3 of *Capital*, he explains that 'the great revolutions that took place in trade in the sixteenth and seventeenth centuries' could only become accelerating-factors in the transformation of the economic base where changes in the field of production had already begun. '[T]he modern mode of production in its first period, that of manufacture, developed only where the conditions for it had been created in the Middle Ages. Compare Holland with Portugal, for example.' The difference between the two, Marx explains, lay in the 'predominant role of the basis laid by fishing, manufacture and agriculture for Holland's development'.³⁸ In an excerpt he made in the mid-1840s from a work by Friedrich List, he articulated the same contrast in relation not to Portugal but to the Hanseatic cities: 'The Hanseatic cities founded their trade "not on the production and consumption, on the agriculture and manufacture of the land to which the merchants belonged" ... "they bought there, where they could have the commodities at the cheapest. But when the countries from which they bought, and the countries to which they sold excluded them from their markets, neither their own agriculture nor their internal manufacture were so developed that their superfluous merchant-capital could find accommodation there; therefore, it disappeared to Holland and England".'³⁹ Thus, Marx linked the shifts in late-medieval and early-modern trade-routes that benefited the Low Countries to the presence of an already more developed productive base.

Marx differed from Smith and his followers not only in this assertion that changes in production were the starting point of Dutch commercial success. He also highlighted different factors in the ending of Dutch trading supremacy. It is this element that writers such as Dobb and Wood point to. Indeed, Marx considered the dominant position that commercial capital attained over its productive counterparts in areas such as Northern Italy and the Low Countries as much a barrier as an advantage to further development in production. This 'law that the independent development of commodity capital stands in inverse proportion to the level of development of capitalist production appears particularly clearly in the history of the carrying trade, as conducted by the Venetians, Genoans, Dutch, etc., where the major profit was made not by supplying a specific national product, but rather by mediating the exchange of products between commercially – and generally economically – undeveloped communities and by exploiting both the producing countries.'⁴⁰ Once the

38. Marx 1991, p. 450.

39. Marx and Engels 1981, p. 513; my translation.

40. Marx 1991, p. 446.

societies at both extremes of this mediation became centres of capitalist production in their own right, the rôle of the independent intermediary became more-and-more obsolete. Being out-competed first in the area of production and then in the area of trade, the capitalists in the former commercial centres started to transfer their money elsewhere, and became agents for capitalist development across borders.

Thus the villainies of the Venetian thieving system formed one of the secret bases of the capital-wealth of Holland to whom Venice in her decadence lent large sums of money. So also was it with Holland and England. By the beginning of the 18th century the Dutch manufactures were far outstripped. Holland had ceased to be the nation preponderant in commerce and industry. One of its main lines of business, therefore, from 1701–1776, is the lending out of enormous amounts of capital, especially to its great rival England.⁴¹

Even though the Amsterdam capital-market still commanded enormous amounts of wealth in the first decades of the eighteenth century, Marx dated the highpoint (and therefore the start of decline) of Dutch commercial wealth as early as 1648.⁴² Hereafter, Dutch capital started to suffer from increasing competition from the English and the French. This competition translated into fierce military conflict, mercantilist measures protecting home-markets from Dutch intrusion, and the building-up of local manufactures that ended the English and French dependence on Dutch imports. The flowering of the Amsterdam stock-exchange in the eighteenth century, far from being a symptom of continued economic strength, was a result of the relative decline of the productive base.

A third difference between Marx's account and Smith's lies in his views on the rôle of the Dutch state. Whereas Smith and his followers stressed the commercial virtues of the Dutch political élite, Marx held a rather less friendly – and much more realistic – position on the Dutch ruling class. Not respect for property-rights in general, but a deep commitment to the property of the Dutch capitalist élite at the cost of anyone else characterised the operations of the Dutch state. The property-rights of either colonial peoples or the poorer classes within the Netherlands were never part of the equation, and the state did not act as a neutral guarantor towards them. Marx approvingly quoted a description of Dutch colonial administration as 'one of the most extraordinary relations of treachery, bribery, massacre, and meanness'.⁴³ The large public

41. Marx 1965, p. 707.

42. Marx 1965, p. 705.

43. Marx 1965, p. 704. The quote is from the former Lieutenant-Governor of Java, Thomas Stamford Raffles.

debt and developed system of taxation underpinning Dutch naval and military power – two other Dutch novelties that Smith greatly admired – were viewed in the same spirit. Public debt formed both a secure outlet for capital-investment and a source for state-demand, thus becoming ‘one of the most powerful levers of primitive accumulation’.⁴⁴ But the cost of this system was high taxation, which rested disproportionately on the lower classes:

Modern fiscality, whose pivot is formed by taxes on the most necessary means of subsistence (thereby increasing their prices), thus contains within itself the germ of automatic progression. Over-taxation is not an incident, but rather a principle. In Holland, therefore, where this system was first inaugurated, the great patriot, De Witt, has in his ‘Maxims’ extolled it as the best system for making the wage-labourer submissive, frugal, industrious, and overburdened with labour.⁴⁵

The picture that emerges from those passages clearly differs from the one painted by Smith and his followers. But the most important element of this difference has been missed by all Marxists writing on the subject. In taking ‘agriculture, fishing and manufacture’ as the founding stone, rather than as a by-product of Dutch commercial success, Marx hinted at an explanation of the origins of the Dutch ‘Golden Age’ that is seriously at odds with the prevalent view of the Dutch case as a ‘pure’ form of merchant-capitalism. However, this focus on the productive base underneath the glittering expansion of trade fits in remarkably well with the findings of economic historians over the last thirty years.

Medieval roots and divergent paths

Within the confines of this article, only a short and summary overview is possible of the transformation of the Dutch economy in the late-medieval and early-modern period. This necessarily comes at the expense of many important aspects of this story. Too little attention can be given to the relationship between the Northern and Southern Netherlands (now Belgium), which contained Europe’s most developed urban economies but were cut off from the North in the course of the Dutch Revolt.⁴⁶ Another real omission is a

44. Marx 1965, p. 706.

45. Marx 1965, p. 708. The work cited, long wrongly ascribed to the seventeenth-century Dutch statesman Johan de Witt, is the *Interest of Holland*, written by Pieter de la Court, the author of the first systematic defence of free trade and a labour-market free from guild-regulations.

46. A short overview of the interrelation between North and South before the Revolt can be found in Van Zanden 1993a.

proper account of the structure of the Dutch colonial empire.⁴⁷ This is not because these issues are unimportant, but simply because some of the main interpretative battles to be waged are about the structure of Dutch society at home and its position within European markets. Understanding those will also increase our understanding of the Dutch mode of operation overseas. Taking in all those aspects would require at least a book. What follows must therefore remain highly incomplete. We nonetheless hope that this article will provide a vantage-point for further debate, which can compensate for these shortcomings and omissions.

Traditionally, the rise of Dutch commercial dominance has been dated from the fall of Antwerp to Spanish troops in 1585. The influx of Southern merchants into the Northern cities and the blockade of the Scheldt allowed Amsterdam to become what Antwerp had been until then: the staple market of Europe. The overrunning of the Flanders and Brabant towns by the Spanish armies certainly accelerated the shift of economic weight from South to North. However, as Blockmans has rightly stressed, ‘It would have been impossible to take up this role immediately without having developed a structural basis during the preceding centuries.’⁴⁸ Recent historiography therefore puts much more emphasis on the medieval roots of Dutch economic expansion. Already in the fifteenth century, the Western provinces formed the most urbanised area of Europe. They also contained a highly differentiated, commercialised and technologically advanced agriculture. At least in the seaborne peat-areas in the West and the North and the river-clay regions, this coincided with a class-structure on the land that was markedly different from that of most European agriculture. In the Land of Culemborg, large tenant-farms worked by wage-labourers in the fifteenth and sixteenth centuries replaced small and medium-sized family-farms. New types of extensive agriculture were developed in order to reduce the required labour-input and maximise profits.⁴⁹ In Southern Holland, even before the Revolt, wealthy burghers bought plots of land from peasants on a large scale.⁵⁰ And, in Guelders during the fifteenth and sixteenth centuries, ‘three-quarters of the land was leased out, the mobility of the lease land was high, population pressure was relatively low and market specialisation was attractive in view of the proximity of large population centres in Brabant, Flanders and especially Holland’.⁵¹ As

47. The classic work in the English language on this subject remains Boxer 1965.

48. Blockmans 1993, p. 42. For recent studies on the impact of Southern-Netherlands merchants on Dutch trade, see Gelderblom 2000, pp. 242ff., and Lesger 2006, pp. 139ff.

49. Van Bavel 1999a, p. 307.

50. Van Bavel 2004, p. 139.

51. Van Bavel 2004, p. 141.

a result, a structure of landholding arose in which ‘already from the sixteenth century onwards the only distinction that mattered was between property (*eygendom*) and short-term leasehold (*huer*), even if, in a formal sense, all the older categories of land tenure... somehow survived.’⁵² Moreover, the advanced structure of agriculture went hand-in-hand with the rise of substantial urban production, connected to a growing integration within international markets.

This marketisation, however, was in no way a natural given. Around the year 1250, according to Hoppenbrouwers ‘the Netherlands by all signs retained a backward, rather primitive peasant economy. Towns and markets were virtually non-existent, as was anything like centralized power.’⁵³ Feudal structures in those areas were weak, but this was a result of their marginal position. Small-scale manorialism, subsistence-farming and simple commodity-production characterised the structure of agriculture in many areas until the time of the great late-feudal crisis. In the centuries that followed, fundamental changes took place in the organisation of agriculture in the Low Countries, stretching from production-techniques to the forms of land-ownership, the distribution of control between peasants, lords and burghers, the application of wage-labour, the rôle of specialisation and the measure of marketisation. But these changes did not follow similar paths in all of the Netherlands’ different regions, and not every area underwent them to the same extent. In his recent overview of Dutch agricultural history from 500 to 1600, Van Bavel discerns roughly three types of regions:⁵⁴

(1) Areas such as Drenthe and the Veluwe, where very little change took place until the seventeenth century or even later. Agriculture remained largely subsistence-oriented, peasants retained control over the land, and only slight specialisation took place until some of them were forced to adapt to the capitalist relations becoming dominant elsewhere.

(2) Areas such as the Guelders river-area, coastal Frisia and coastal Flanders, in which a transition to large-scale, labour-extensive, capital-intensive farming took place relatively early. By the fifteenth and sixteenth centuries, land had accumulated into the hands of wealthy tenant-farmers, who employed fully-proletarianised wage-labourers in market-oriented cattle-breeding and grain-cultivation. Around 75 per cent or even more of the land was leased out, often

52. Van Bavel and Hoppenbrouwers 2004, p. 16.

53. Hoppenbrouwers 2006, p. 254.

54. Van Bavel 2010a, pp. 244–7, 336. For a general summary of the argument, see also Van Bavel 2010b.

on contracts with very short terms, and the rate of turnover for land under the pressure of competition was high.⁵⁵

(3) Areas such as inland Flanders and Holland, where increased market-orientation was combined with intensive subsistence-farming. Peasant-landholding remained dominant for a long time, and specialisation was reached on rather small plots, using labour-intensive techniques to produce for nearby urban markets. Proto-industrial activities, taking place on an impressive scale, were usually combined with subsistence-farming. In Holland, this became the launching-pad for a further transformation towards large-scale capitalist agriculture on the one hand and more proletarianised wage-labour on the other, whereas, in inland Flanders, this did not occur until much later.

It is useful to examine these diverging paths in a bit more detail. In Drenthe, it seems that the combination of low yields on the sandy grounds and successful peasant-resistance against the strengthening of feudal control account for the survival of small-scale peasant-production and communal lands. After a coalition of nobles suffered a crushing defeat in 1227, in which the Bishop of Utrecht and some four-hundred nobles were killed in the swamps, what remained of manorial lordship disintegrated, allowing the peasants to strengthen their hold on the land and the commons.⁵⁶ In the long run, technological change remained slow, sheep were herded in communal flocks for centuries to come, subsistence-farming remained predominant, less than a quarter to a third of the land was leased out, and, even during the seventeenth century, the spread of wage-labour was rather limited (though, with 25–30 per cent, still high in comparison to most of Europe).⁵⁷ Here, then, we seem to have a classic Brennerian case in which ‘the emerging predominance of small peasant property’ short-circuited a transition to rural capitalism.⁵⁸ However, it should be noted that, even here, the conservatism inherent in the existing structures was not absolute, and market-influences started to penetrate from the outside once the transition to agrarian capitalism had been made in neighbouring regions.⁵⁹

The situation in the Guelders river-area was very different, if not the complete opposite. Manorial lords, territorial rulers and religious institutions had maintained strong control over the colonisation of this highly fertile region, resulting in a predominance of large landholding. During the thirteenth

55. Van Bavel 2010a, p. 172.

56. Van Bavel 2010c, pp. 252–3.

57. Van Bavel 2010a, pp. 172, 204, 336.

58. Brenner 1985, p. 30.

59. Bieleman 1987, pp. 40–2.

and fourteenth centuries, however, manorial organisation came under intense pressure. On the one hand, colonisation of the nearby peat-areas offered a possibility for peasants to escape serfdom by migration. On the other hand, the monetisation of feudal relations and the intense competition between manorial and territorial lords forced the landowners to search for means of exploitation that were directly profitable. The rise of cities and markets in Holland and Brabant enabled them to do so by starting to exploit their land commercially, leading to a very early transition to the large-scale lease of land on increasingly short terms.⁶⁰ The competition for lease-contracts created strong pressures towards investment, with large landowners spending about 16 to 20 per cent of their gross income on ‘improvement’ of their agricultural holdings (with further increases in the sixteenth century).⁶¹ On the other hand, it stimulated full proletarianisation, in which former peasants began to be employed as wage-labourers on the land. Van Bavel calculates that, in the early-sixteenth century, as much as 60 per cent of all labour in this area was performed as wage-labour – a proportion only reached in even the more-industrialised areas of Europe during the nineteenth century.⁶² It is important to note that, until the second half of the sixteenth century, this transformation did not lead to a great shift in the distribution of landownership between peasants and lords. Rather, large-scale landownership in the hands of the lords remained intact, while the underlying social forms of exploitation of the land underwent considerable changes towards agrarian capitalism.

The trajectory of Holland: an urban-agrarian symbiosis

The most interesting case, and probably the most decisive for the later fate of the Low Countries, is that of the regions such as Holland. Here, as in the Guelders river-area, early commercialisation took place. However, there were substantial differences in the nature of this commercialisation. Whereas, in Guelders, colonisation during the high middle ages had produced patterns of large-scale landownership under seigneurial control, in Holland, colonisation had taken place under the direction of the territorial lords, undercutting the power of manorial lords in most areas. Therefore, in large regions, feudal control ‘on the ground’ was almost absent, and peasant small-holders owned their own land. Population-pressure led to a further subdivision of plots,

60. Van Bavel 2010a, pp. 88–9 and 180; Van Bavel 1999b, pp. 469ff.

61. Van Bavel 2010a, p. 334.

62. Van Bavel 2010a, p. 204.

which must have made conditions for subsistence-farming increasingly difficult. These changes then started to accelerate around the fourteenth century. Ecological processes resulting from the use of the land led to a sinking of the surface by two metres or, in some places, even three metres or more.⁶³ As a result, the soil ceased to be suitable for subsistence-farming.

As Bieleman rightly emphasises, this could have led to depopulation, as happened elsewhere in Europe.⁶⁴ But development in Holland took a different course. An economic redirection started towards commercial farming, largely the keeping of livestock for the production of butter and cheese, and, to a lesser extent, the cultivating of ‘industrial’ products such as hops (for brewing) and hemp (for rope-making), linseed (for oil) and madder (for dyestuffs). Although peasants remained in control of their small tracts of land, natural circumstances increasingly forced them to combine labour-intensive forms of agriculture with wage-labour in export-oriented fishing, peat-digging and dike-building, proto-industrial activities in rural areas or manufacturing-work in the towns.⁶⁵ For this redirection to be possible, a number of conditions had to be met earlier, or, at least, more-or-less simultaneously. First, the maintenance of any kind of agricultural production under the special ecological circumstances of the Low Countries’ peat-areas required rather sophisticated techniques for water-management, from wind- and watermills to developed systems of cooperation for dike-maintenance.⁶⁶ The fourteenth to sixteenth centuries saw a steady increase in their application. Wealthier farmers and townspeople increasingly replaced manorial lords or the Church as investors in such instruments for improvement.⁶⁷ Introduction of new technologies in this rural setting laid the basis for their later use in rural or urban manufacturing.

A second precondition for the shift towards commercial farming was the possibility to import basic foodstuffs. Without some international specialisation, and without the development of trading systems to tap into the agricultural surpluses of other regions, it would have been impossible to have a majority of Holland’s population producing non-subsistence items. This connected the rise of commercial agriculture in Holland directly with the increase of trade with other, grain-producing regions – Germany, the Southern Netherlands, and France at first, gradually replaced as the main suppliers of

63. Bieleman 1993, p. 162.

64. *Ibid.*

65. Van Zanden 1993b, Chapter 2.

66. Davids 2008, pp. 64–5.

67. Van Bavel 2010a, p. 148.

grain by the Baltic from the late-fifteenth century onwards.⁶⁸ The nodal points connecting the emerging highly differentiated agricultural society to those inter-regional networks of trade, of course, were the many towns of medieval Holland. Rapid urbanisation took place roughly in the same period as the emergence of commercialised agriculture (see Table 1). Jessica Dijkman shows that urban fairs in Holland played the rôle that in many other countries was played by local village-markets, both because these urban markets were geographically close, and because institutional barriers to selling rural products on the urban markets were limited.⁶⁹ These towns provided the markets to which much of rural production was geared, not only as centres of distribution and consumption, but also increasingly as independent centres of production. Leyden, the biggest city in Holland at the start of the sixteenth century, had evolved into one of the leading centres of cloth-production. Other industries, such as brewing, had started to develop on a large scale throughout the province of Holland. Those urban industries became intimately connected with rural development, both for the supply of raw materials and labour-power.

Table 1: Urbanisation in the Low Countries and Britain, 1375–1800

	Number of cities with over 10,000 inhabitants								
	1375	1475	1500	1550	1600	1650	1700	1750	1800
Northern Netherlands (Holland in parentheses)	2 (0)	9 (4)	10 (5)	11 (6)	19 (12)	19 (12)	20 (12)	18 (10)	19 (10)
Southern Netherlands	11	11	11	12	11	12	12	12	18
Britain	1	1	5	4	6	9	13	23	47
Total population of cities with over 10,000 inhabitants per territory (in thousands)									
	1375	1475	1500	1550	1600	1650	1700	1750	1800
Northern Netherlands	20	98	120	182	365	600	640	570	580
Southern Netherlands	210	310	300	360	250	360	380	350	460
Britain	35	70	80	110	250	500	720	1,020	1,870

Source: Israel 1995, p. 115.

68. Tielhof 2002, pp. 6–7.

69. Dijkman 2010.

Slowly but surely, the changes in direction of Holland's agriculture led to the spread of credit-relations to the countryside, combined with a differentiation inside the peasantry, in which some peasants managed to become successful capitalist-farmers and others were forced to combine their agricultural activities with proto-industrial labour. This can be seen as a preceding stage to the rise of real capitalist agriculture. However, close connections between rural proto-industries and urban production were not necessarily beneficial towards further capitalist development.⁷⁰ Inland Flanders had seen very similar patterns of rural production emerging as Holland; labour-intensive commercial agriculture on small plots owned by the peasants, combined with extensive proto-industrial activities geared towards the large urban centres of (mainly textile-) production.⁷¹ However, the market-relations between the large Flemish cities such as Ghent, Bruges, and Antwerp and their hinterland became much more unequal and exploitative than those among their northern cousins. The mighty Flemish towns, with ample privileges gained in long and bloody struggles against the territorial lords and strong guilds dominating urban production and politics, jealously guarded their markets against any encroachment by agricultural producers. Peasants could only sell their products in the town under tight restrictions, and attempts at independent economic development in the countryside, for example by building watermills or introducing other more advanced machines, were crushed – sometimes by force of arms.⁷² The proto-industrial activities that developed in the important Flemish linen-industry took the form of a 'Kauf-System', in which peasants individually owned the means of production and produced the linen, but were fully dependent on urban merchants for the sale of the end-products. Rather than forming a stepping stone for further proletarianisation, these forms of rural proto-industrial labour remained static for many centuries.⁷³

In Holland, on the other hand, extra-economic coercion to control the countryside by the urban centres remained much more limited. Certainly, there were a number of attempts to institute the same barriers to rural development as in Flanders.⁷⁴ But none of the towns of Holland, smaller and less powerful than their Flemish counterparts, individually had the strength to carry those through. Furthermore, as 't Hart concludes, 'the high density of towns meant that urban control over the countryside was strongly contested. Coercive moves by one town could always be hindered or mitigated by the

70. Epstein 2001, p. 21.

71. Thoen 2001, pp. 119ff.

72. Dijkman 2010.

73. Thoen 2001, p. 122.

74. Noordegraaf 2009, p. 133.

actions of another.⁷⁵ Unable to control the countryside politically, burghers were much more prone to extend their reach by purely economic means. This led to a very different type of proto-industrial development, in which urban merchant-entrepreneurs invested directly in rural industries. Thus, a layer of urban proto-capitalists emerged who not only attained possession of the end-products of rural labour, but gained substantial control over every stage of the production-process. On the other hand, the loss of control over the means of production among peasants set the stage for full proletarianisation once these merchant-entrepreneurs started to move large swathes of the production-process to the cities.⁷⁶ It is this particular urban-agrarian symbiosis that set the stage for the transition to capitalism in Holland.

The 'discovery' of rural capitalism in the Northern Netherlands has led to a debate on the applicability of the 'Brenner thesis'.⁷⁷ Unlike most of his followers, Brenner does see important steps in the development of capitalist agriculture taking place in the Netherlands. But his theoretical focus sits uneasily with the particular trajectory towards agrarian capitalism followed in Holland (and, to a lesser extent, Flanders), in which the towns played such a crucial rôle.⁷⁸ As we have seen, the path of specialisation taken by many Dutch peasants was only made possible by the presence of strong and independent towns, increasingly integrated into a European trading system. Even Brenner himself acknowledged this. 'Here, of course, urban development was more intense than in any other region of Europe throughout the long epoch from the ninth and tenth centuries into the eighteenth. . . . The outcome was great, sustained demand pressure on agriculture over a very extended period, the reply to which by Low Countries' agriculturalists was, moreover, very much facilitated by their access to the international grain market.'⁷⁹ The Dutch case, and particularly the path taken by Holland, suggests that to look for the roots of capitalism either exclusively in the countryside or in the towns rests on an artificial separation. True, towns were not simply the representatives of capitalist trade against a feudal hinterland. But neither were they simply an extension of the power of the lords. Town and country were integrated in common systems of both trade and production. As Rodney Hilton showed convincingly, the towns in Europe arose not in opposition to, but in symbiosis with the development of feudalism.⁸⁰ But this symbiosis itself was not static.

75. 't Hart 2001, p. 84. Compare Aten 1995.

76. Van Bavel 2010a, pp. 249–50.

77. Hoppenbrouwers and Van Zanden (eds.) 2001. See also Wood 2002b.

78. A point also made in Mielants 2001, p. 112.

79. Brenner 2001, p. 302.

80. Hilton 1992.

Even when the cities of the fifteenth century were part of a wider European feudal network of trade, they were not the same as the market-villages that feudal lords had once set up to provide for their luxury-demands. A considerable number of them had become powerful centres of wealth and production in their own right. The urban industries that arose in Holland were intimately connected with rural-capitalist development. When the Northern Netherlands started to gain a foothold in European trade, this did not simply mean further integration into a larger feudal whole. It was coupled to another, opposite effect: a slow but fundamental change in the relationship between town and country. The connected systems of urban and rural trade and production that arose created a society in which the old feudal institutions were steadily being pushed to the background. As far as class-struggle accompanied and shaped these processes, it was at least three-tiered, involving urban classes as well as lords (both manorial and territorial) and peasants.⁸¹

At least in Holland, the late-medieval period saw an almost complete erosion of local feudal institutions. The lords who still dominated the province politically during most of the sixteenth century had their main landed estates elsewhere. The main group of large feudal landowners that remained were the religious institutions. However, the power of both traditional groups of representatives of feudal society was backed up by the larger feudal states into which the Dutch provinces were integrated: first the Burgundian state, then the Habsburg Empire. The description given by Hobsbawm for the Dutch Republic of the seventeenth century might actually be applied with more success to the Northern Netherlands of the sixteenth: this was a 'feudal business-economy'. On the ground, both in the countryside and in the towns, commerce already ruled supreme. At the top, the independence of the capitalist élites was limited by their subordination to feudal-political entities. This subordination held important advantages to the urban élites, and most of the time they subordinated themselves willingly. But this willingness, or rather the ability to settle for a comfortable niche within the larger feudal superstructure of Europe, was not without limits. A string of crises during the sixteenth century would show the boundaries within which these contradictions could be maintained, with truly revolutionary consequences.

From the Dutch Revolt to the Golden Age

The sixteenth century was an age of economic expansion, but also of serious disruptions. It is no coincidence that, at the turn of the century, the artistic

81. Van Bavel 2010c.

exuberance of the Flemish masters found their counterpoint in the gruesome world of Hieronymus Bosch. A number of important industries in this period faced stagnation or even decline. Leyden cloth-manufacture did not manage to adapt to the rising competition of the ‘new draperies’, as a conservative urban élite – including the merchants who controlled the old draperies – finally succeeded in throwing up prohibitions against the establishment of new and competing manufactures.⁸² Trade was affected by the great dynastic wars, and the absolutist Habsburg rulers to whom all of the Dutch provinces after 1543 belonged tried to gain leverage over merchant-wealth through increased taxation and large-scale borrowing on Holland’s capital-market.⁸³ The merchant-fleet of Holland grew considerably between 1530 and 1567 due to the expansion of Baltic trade, but also was hindered in the 1560s by the closure of the Sound.⁸⁴ This drove up grain-prices, which caused serious unrest among the urban lower classes at a time already characterised by the rise of popular religious opposition. With the successful spread of Anabaptism, both worldly and spiritual authorities – with the Catholic Church spanning both categories – had to contend with a popular Reformation that contained semi-communist undertones.

These tensions came to a head in the Dutch Revolt that covered the full last-third of the sixteenth century. No one will deny that, as well as completely changing the political conditions and religious order, the series of events that go under this name opened up a new phase in the economic history of the Netherlands, even though the exact relationship between the revolution against the Habsburg Empire and the ‘Golden Age’ of the seventeenth century is hard to trace. Marx and Engels thought of the Revolt as one of the ‘classical’ bourgeois revolutions.⁸⁵ But the bourgeoisie certainly did not make the revolution, as I have argued elsewhere.⁸⁶ Opposition of the leading feudal lords to the centralising policies of Philip II first destabilised the political-religious settlement for the Netherlands, and three great waves of urban uprisings (1566, 1572 and 1578–9) driven by the artisanal-middle and lower classes then shifted the point of gravity of the Revolt away from the nobility. Only then could the bourgeoisie in the Northern Netherlands become the main benefactor of the Revolt. It is a classic example of Marx’s aphorism that

82. Brand 1993.

83. Anderson 1986, pp. 60–1; Tracy 1985, p. 221.

84. Van Zanden 1993c, p. 8.

85. For example, Marx 1973, p. 192: ‘The model for the revolution of 1789 was (at least in Europe) only the [English] revolution of 1648; that for the revolution of 1648 only the revolt of the Netherlands against Spain’.

86. Brandon 2007.

‘The chevaliers d’industrie... only succeeded in supplanting the chevaliers of the sword by making use of events of which they themselves were wholly innocent.’⁸⁷

The Revolt had a number of unintended side-effects that greatly stimulated the further capitalist development of the Dutch economy. One was the confiscation of church-lands, which were sold by public auction and thereby greatly augmented land-possession as a form of urban investment. Large-scale capitalist participation in land-reclamation, combined with the hardships suffered by peasants from both government and rebel-troops, further altered the rural property-structure.⁸⁸ In Holland, the dominance of small-scale peasant-ownership of the land finally started to give way to commercial exploitation on a large scale.⁸⁹ A second direct result of the Revolt was the loss of the political influence of the nobility and the Catholic clergy, which, at least in the province of Holland, left the urban élites in complete control over the provincial estates. The same goes, to a somewhat lesser extent, for the other provinces. Out of a total of 47 votes in the seven sovereign provincial diets, 33 were reserved for the towns.⁹⁰ The purging of former Catholic loyalists from the city-magistrates could also have had some effect in opening the way for new groups of merchants, who had previously been excluded by more conservative merchant-factions. This, for example, seems to have been the case in Leyden, where the purging of the magistrate opened up city-government to southern refugees involved in new drapery, leading to a rapid transformation of Leyden cloth-production.⁹¹

Indirectly, the Revolt had an economic impact through the transformation of the state. Overall, the Dutch Revolt left the state firmly under the control of the merchant-industrialists. This became especially clear in matters of war and peace, where dynastic ambitions were wholly replaced by commercial considerations. Internally, through their control over the provincial States of Holland, the merchants exerted enormous political influence as well. The financial weight of Holland over the rest of the Republic provided the necessary coherence among the different provinces, despite internal divisions and regional varieties in the pace of the transition. Although the Dutch federal state seems like a rather ramshackle construction when looked at in the light of later development, the outcome of the manifold political balancing acts

87. Marx 1965, p. 669.

88. ‘t Hart 2011, forthcoming.

89. Van Bavel 2004, p. 139.

90. ‘t Hart 2001, p. 82.

91. Lamet 1972, p. 43.

between local élites and their particular interests was not unfavourable to the further development of capitalism in the seventeenth century. Even when the new governors increased taxes to a level the Habsburg rulers could not have dreamt of, both the super-rich and substantial parts of the wealthy middle-class layers beneath them could feel that their interests were well-served. Besides, the state never let the urban élites bear the brunt of taxation. Confirming Marx's observation on the nature of Dutch state-revenues, in 1640 over 70 per cent of taxes were levied through excises and semi-direct taxes. In 1650, of all taxes farmed out in the Southern part of Holland, 74.6 per cent consisted of taxes on basic necessities.⁹² The new state that emerged out of the Revolt was extremely effective in letting the poor and working classes pay for its commercial-military exploits through a high cost of living. The rich, as well as substantial layers of the middle classes, contributed through the various forms of state-debt which became an increasingly heavy burden on Dutch society as a whole, but remained a secure and profitable form of investment for the élites.

The Dutch Revolt liberated one of Europe's most developed regions from the constraints of an empire in which trade and industry were always subordinated to royal interests, ultimately guided by the landed interests of the Spanish aristocracy and the Catholic Church. The independent republic was established in the 1580s – a status that was recognised by the Spanish Crown only at the Peace of Westphalia in 1648. On the basis of the urban-agrarian symbiosis created in the late middle ages, the growth in Baltic trade of the sixteenth century, the rise of the Amsterdam entrepôt at the expense of Antwerp and the unscrupulous use of state-power whenever essential economic interests became imperilled, this republic became Europe's dominant centre of capital-accumulation.

Merchants and manufacturers

Probably the most spectacular effect of the revolt was to launch the newly founded republic onto the international scene. Among the first deeds of the newborn nation was the institution of a naval blockade of the Scheldt estuary, a form of economic warfare against the trade of its erstwhile sister provinces that it kept in place for over two centuries. From its small territorial base, the Dutch started to rival the two Iberian colonial empires, and, soon after the

92. 't Hart 1993, pp. 138–9.

founding of the East India Company (VOC) in 1602, it became the leading power in Asia. As in the English Civil War and the French Revolution, the revolutionary phase of the Dutch Revolt went seamlessly over into the empire-building phase. From the 1590s to the Peace of Utrecht of 1713, the Dutch Republic held the position of a European great power. In 1672, it survived a combined attack at land and sea by France, England and their allies on the eastern border. In 1688, it managed to send an invading force of 15,000 troops in order to effect 'régime-change' within its main commercial rival, installing William III of Orange as King of England. During the War of the Spanish Succession (1702–13) the Dutch state could pay and supply provisions for an army of 120,000 on the strength of a population of barely two million. This military power was based on unrivalled commercial supremacy. Around 1648, when the war with Spain came to an end, Dutch shipping outstripped that of all its European rivals put together. According to one estimate, England's commercial fleet grew from approximately 400 to 1,400 ships between 1600 and 1700. But, already in 1600, around 1,900 ships sailed under the Dutch flag. This figure grew to 2,600 in 1670, to decline to the still considerable number of 2,200 in 1700. The total tonnage of the English merchant-fleet amounted to approximately 300,000 tons in 1700, whereas the Dutch reached double that number in 1670.⁹³ Even in 1800, after roughly 150 years of stagnation in overall economic growth, per-capita income in the Netherlands was probably higher than in the neighbouring countries.⁹⁴

Popular myth has it that the main source of this wealth was colonial trade. Of course, the plundering of the East Indies by the VOC and the active rôle in slavery of its less successful brother, the West India Company, contributed greatly to the amassing of wealth by many powerful merchant-houses. These commercial activities were accompanied by all the great crimes that Marx so vividly described in the concluding chapters of the first volume of *Capital*. But, in purely numerical terms, the so-called 'rich trade' in colonial luxury-goods was overshadowed by the less adventurous (though certainly not peaceful) trade in grain, wood, iron, copper, furs and other bulk goods. As the figures compiled by De Vries and Van der Woude show, European trade, rather than colonial trade, formed the backbone of Dutch merchant-capital:

93. Schipper 2001, p. 55.

94. Van Zanden 1993c, p. 6.

Table 2: Dutch foreign trade in millions of Guilders per year

	Ca. 1650	Ca. 1720	Ca. 1770
Export to			
Europe, over sea	105	73	72
Southern Netherlands and Germany, over land	10	10	20
Outside Europe	5	7	8
Total	120	90	100
Export consisted of			
European goods (re-export)	49	26	29
Colonial goods (re-export)	11	22	40
Inland products	60	42	31
Import from			
Europe, over sea	120	78	95
Southern Netherlands and Germany, over land	5	6	10
Outside Europe	15	24	38
Total	140	108	143

Source: De Vries and Van der Woude 1997, p. 499.

Colonial goods (including those imported from other European nations) formed just over 11 per cent of imports and a mere 9 per cent of exports at the height of the ‘Golden Age’. This had grown to 31 and 24 per cent respectively around 1720, partly reflecting the decline of European overseas import and export, partly the growing importance of transatlantic commerce. Only in the latter half of the eighteenth century did colonial goods come close to European goods as a proportion of foreign trade. True, more of the European imports were meant for the Dutch home-market, giving colonial goods greater prominence (though still smaller than European goods) in re-export. But the export-figures show something else that challenges the image of a nation thriving on long-distance luxury-trade. Dutch products comprised a full 50 per cent of the total value of exports in 1650, and still 47 per cent in 1720.

An important part of inland-production was directly connected to the Dutch function in international trade. This was true for those sectors that were at least partially based on the processing of imported materials, the so-called *trafieken* [traffics]. Examples are the processing of salt – connected to the export of salted herring – and sugar, the sawing of wood, and the distilling of alcohol. Rope and sail-making used imported hemp in combination with

the Dutch product, and tobacco-industries also depended both on imports and on locally produced leaves.⁹⁵ Shipbuilding was, of course, another sector that was tied to trade. De Vries and Van der Woude estimate that, between 1625 and 1700, an average of 400 to 500 ships a year were produced. They calculate that around 10,000 people were employed in this sector – 5 per cent of all manufacturing-workers in the province of Holland.⁹⁶ To escape guild-regulation in the towns, much of this production took place in rural areas. North of Amsterdam, the area called De Saen [*de Zaanstreek*] developed into a thriving industrial centre. Its development depended on a considerable use of technologically advanced machinery such as industrial windmills. The total number of industrial mills in De Saen grew from 128 in 1630 to 584 in 1731, then declined to the still high number of 482 at the end of the eighteenth century.⁹⁷

Technological advance underpinned the competitiveness of Dutch trade. Already in the sixteenth century, two new types of ships were developed that gave the Dutch a competitive advantage in fishing and carrying trade: the herring-buys and the fluyt-ship. The herring-buys allowed a part of the processing of the catch to be done on board, enabling the ships to remain at sea for longer periods and function as floating processing factories. The fluyt was an easy-to-sail ship, which could carry large tonnages with relatively small numbers of men. Since the size of the crew was an important determining factor in the total costs of a voyage, the introduction of the fluyt greatly enlarged trading profitability. The process of shipbuilding itself was also streamlined, introducing assemblage in standardised parts.⁹⁸ Not only in shipbuilding but also in many other forms of manufacturing-production during the seventeenth century, the Dutch exported their knowledge, technologies and skilled workers to the rest of Europe.⁹⁹ The textile-industry was the largest employer in the Netherlands. It had both a rural and an urban component. Even in Amsterdam, which was not a textile-city, 26 per cent of all craftsmen and crafts-workers were employed in this trade. Since over half the Amsterdam working population was involved in the ‘industrial’ sector, this amounts to a total of 14 per cent of all married men.¹⁰⁰ In cities such as Leyden and Haarlem, in which textile-production was the leading industry, the proportion was much higher. Dutch capitalism did not take a lead in

95. De Vries and Van der Woude 1997, p. 271.

96. De Vries and Van der Woude 1997, p. 297.

97. De Vries and Van der Woude 1997, pp. 346–7.

98. Unger 1978, p. 86.

99. Davids 2008, Chapter 5.

100. De Vries and Van der Woude 1997, p. 270.

textile-production in Europe as it did in shipbuilding, but the use of advanced techniques for production allowed it to find a substantial niche based on high-quality products.

Van Bavel has painted a pessimistic picture of the development of manufacture in the Northern Netherlands after 1600. He attaches much importance to the introduction of institutions of forced labour, such as workhouses, and the apparent strengthening of the guilds from the middle of the sixteenth century. The possibility to revert to the use of semi-free labour would have formed a barrier to the introduction of manufacture on a large scale.¹⁰¹ However, the work of many other authors contradicts this. Noordegraaf emphasised the changes occurring in labour-relations due to the growth of new types of manufacture. Even when formal guild-structures were maintained – and, especially in sectors connected to exports, they often were not – in practice those structures did not hinder, and sometimes even stimulated the introduction of capitalist relations. ‘Division of labour and hierarchization characterized an increasingly large part of industrial activities. Even though the traditional craftsman-based businesses continued to represent a numerical majority, the economic importance of these businesses declined, in part due to the rapid growth of new types of enterprises which were not based on the traditional craftsman structure.’¹⁰² The seventeenth century saw the establishment of some of the largest manufacturing production-lines to be found anywhere in the world up until the advent of the Industrial Revolution. The shipyards of the East India Company and the five admiralties employed thousands of workers under régimes of intense labour-discipline. Workhouses and orphanages were run as commercial undertakings, and rather than being a regression to old patterns of semi-forced labour, they might better be seen as instruments for the creation of a capitalist work-ethos.

The growth of new manufactures was accompanied by a great intensification of capitalist investment in agriculture, completing the social and technological revolution that had begun in the preceding period. On the basis of this transformation, the rural areas in the seventeenth century gained a productivity that was high even compared to the most developed European areas of the nineteenth century. De Vries argued that its main result was a process of differentiation within rural communities, in which ‘commercial, highly capitalized farm enterprises’ gained the upper hand. ‘Surrounding these new households, nonagricultural specialists in crafts, transportation, marketing, fuel supply, and education arose to provide goods and services that the

101. Van Bavel 2010a, pp. 260–2.

102. Noordegraaf 1993, p. 137. On the guilds, see Lis and Soly 2006, Epstein and Prak 2008, and the other contributions in these volumes.

unspecialized households of earlier times had endeavored to provide for themselves.¹⁰³ Countering one of Wood's main arguments for a non-capitalist dynamic in Dutch commercial agriculture, competing for Dutch farmers was an imperative rather than an option. Among other things, this can be seen from the continued high turnover-rate of land-holding in the most commercialised parts of the Netherlands.¹⁰⁴

The urban and rural economies were linked up by the growth of a developed system of river-transport, carrying both persons and goods.¹⁰⁵ Peat was used as fuel in smaller industries such as the making of bricks, tiles, glass and pottery, as well as in breweries, distilleries, bakeries and textiles. During the seventeenth and eighteenth centuries, about 15,000 ships left or returned to Overijssel harbours in the rural east to transport peat to the more urbanised parts of the country.¹⁰⁶ The urban-agrarian symbiosis of the late middle ages had been reconstituted at a higher level, reflecting a further deepening of the process of original accumulation in which labour was 'freed' in the double sense used by Marx, and capital gained control over large swathes of the home-economy. Partly, this was done through an extension of the putting-out system. Leyden textile-merchants, for example, managed to gain control over previously independent peasant-spinning and weaving activities in Dutch Brabant. However, over time, these areas of peasant-production started to evolve as industrial centres in their own right. Tilburg forms a striking example of such rural-industry led expansion, growing from a small village to a town of 9,000 inhabitants in a few decades. Individual merchants moved from the Western urban centres to these rural regions in order to gain more direct control over the production-process.¹⁰⁷

Wallerstein, then, was right when he attacked those who wanted to describe the Dutch Republic only in terms of its carrying trade: 'So much ink has been spilled to explain why Holland did not industrialize that we tend to overlook the fact that it did do so.'¹⁰⁸ However, it is probably as important to insist that, despite this advance, productive capital never escaped the control of merchant-capital to become an independent force, as writers from Marx himself to Dobb have rightly stressed. The typical capitalist entrepreneur of the early-seventeenth century was not the modern industrialist but a merchant-industrialist, who brought under his control sections of production as an extension of his

103. De Vries 1974, p. 120.

104. Van Bavel 2004, p. 139.

105. De Vries 1978.

106. Slicher van Bath 1982, p. 26.

107. 't Hart 2001, pp. 92–4.

108. Wallerstein 1982, p. 100.

trading ventures, but whose primary concern always remained with the latter rather than the former part of his business.¹⁰⁹ Once competitive pressures started to rise, their response was not to build up the protective walls of mercantilism in order to further the interests of ‘national industries’, since this would harm their trading interests. Instead, they slowly retreated from productive investment into more secure forms of financial dealing. The ties between traders and producers gradually weakened, and, even in trade itself, these merchants increasingly took a step back. Around the third quarter of the seventeenth century, trading on commission overtook trading on the merchant’s own account among the major Dutch merchant-houses.¹¹⁰

Moreover, the relatively advanced nature of manufacturing-production in a number of important sectors should not blind us to the conditions prevailing in many others. Numerically, if not in terms of its economic weight, small-scale handicraft-production still dominated in the seventeenth century, as it probably did everywhere else at that point in time.¹¹¹ Though fully directed at the market, the focal point of most of the output remained local. The federal state, built on a medieval heritage of provincial autonomy that was reinforced rather than challenged by the Dutch Revolt, further retarded economic integration on a national scale, as Richard Yntema has shown convincingly for the beer-industry.¹¹² The weight of local institutions within the federal state meant that small urban producers often mounted successful pressure on their rulers in order to shield them from the full blows of open competition. Thus, while merchant-interests successfully prevented mercantilist measures for industrial development on a national scale, protectionism on a local level did strengthen with the waning of the ‘Golden Age’. Although economic reforms countering these trends were widely discussed during the eighteenth century, the state, firmly held in check ‘from above’ by the competing factions of the merchant-oligarchy, and ‘from below’ by the strong position of the urban-commercial middle classes, did not have the strength to push through a process of productive modernisation and started to act as a conservative force instead. Dutch capitalist development finally bit itself on the tail.

109. Gelder 1982, p. 38.

110. Jonker and Sluyterman 2000, pp. 83ff.

111. Van Dillen 1970, p. 197.

112. Yntema 2009.

Decline without ‘refeudalisation’

Does the onset of decline prove that there never had been development towards capitalism to begin with? This seems to be the thesis of Ellen Meiksins Wood. In her view, already during the ‘Golden Age’, public office, not production or trade, was the predominant source of private wealth for Dutch merchant-oligarchs.¹¹³ This wealth was not ploughed back into the economy through productive investment, and so the Dutch economy retained a ‘disproportionate dependence on luxury consumption by the wealthy few at home or abroad’. This dependence was brought to light by the impact of the seventeenth-century crisis, which reduced prices of staple exports and demand for luxury-goods, dragging the other sectors of Dutch production down.¹¹⁴ As a result, Dutch élites withdrew into “‘extra-economic” strategies and investment in politically constituted property’ such as public office.¹¹⁵

Following Hobsbawm, Wood puts great stress on the impact of the ‘seventeenth-century crisis’ on the Dutch economy. But the mechanism through which this crisis dragged down the Dutch ‘Golden Age’, and the timing of this happening remains unclear. This is not only the case in Wood’s argument, but actually more generally. Often, the impact of ‘the general crisis’ on the Dutch economy is assumed without explaining which sectors were affected when, and why. The problem might reside in the rather underspecified nature of the notion of a ‘general crisis’ itself. As for Europe as a whole, this links a string of economic depressions which had their epicentre in the decades between 1620 and 1660, the political crises in France and England of the 1640s and 1650s, and a long period of secularly declining prices.¹¹⁶ But, as Steensgaard noted long ago, the ‘decades in the middle of the century, when the greatest economic difficulties were to be found in Spain, Germany, France and England, were at the same time the golden age of the Netherlands’.¹¹⁷ This is borne out by a closer inspection of growth-trends for the main sectors of the Dutch economy.¹¹⁸ Probably, as Marx suggested, growth reached its zenith around 1650. But this does not mean that, after this, overall decline set in. The second half of the seventeenth century did not see a complete collapse of the Dutch economy, but, rather, a long period of stagnation which was felt as a decline because others had started to set out on the first steps on the road to

113. Wood 2002b, p. 73.

114. Wood 2002b, pp. 78–80.

115. Wood 2002a, p. 92.

116. Trevor-Roper 1967, p. 63; De Vries 1976, pp. 16ff.

117. Steensgaard 1978, p. 36.

118. Van Zanden 1993c, p. 16.

recovery. Furthermore, the timing of the onset of depression was highly diverse for different sectors of the Dutch economy. The coincidence of stagnation with the increasing competition the Dutch faced from the English and the French, both militarily and in trade and manufacture, would suggest that it was not the seventeenth-century crisis itself, but, rather, its ending that put the Dutch economy in a tight spot. The way in which both England and France used the state to draw themselves out of the crisis was itself a particular response to Dutch commercial dominance. The Navigation Act and Colbert's tariff-walls launched a new, militarised phase in the transition to capitalism.

There were two areas in which real, absolute decline indeed slowly set in during the second half of the seventeenth century. These were the productive sector and the traditional carrying trade in grain, herring, salt, textiles and wood. The effects were felt sharpest during the eighteenth century, when unemployment became endemic in most Dutch cities and many formerly successful industries dwindled. However, the order in which economic depression hit seems to have been opposite to the one suggested by the Hobsbawm-Wood argument. Following the logic of the Dutch Republic as a 'feudal business-economy' or 'non-capitalist commercial society', with indigenous commodity-production fully dependent on the strength of merchant-capital, it could be expected that a long-term decline in international trade would have dragged down the productive sectors of the Dutch economy, beginning with those directly connected to the world-market. The opposite seems to have been the case. Whereas the production of beer, soap, salt, barrels, pottery, tiles, bricks, and the building industry all started their descent during the seventeenth century, cloth-production was retained at a stable level until ca. 1715, and ship-building, the production of sail-cloth and sawing wood until ca. 1725.¹¹⁹ Meanwhile, as the figures compiled by David Ormrod show, the total volume of Dutch trade managed to recover after the initial blow of the 1660s, and remained high well into the 1700s. The decline in Baltic trade was apparently more than compensated for by the rise of trade with other areas. Luxury-trade, far from pulling down the Dutch economy, actually grew in absolute size, as can be seen from the figures for colonial trade.

119. De Vries and Van der Woude 1997, p. 336.

Table 3: Estimated values of English and Dutch foreign trade, 1622–1790 (£ '000)

	English imports	English re-exports	English domestic exports	Combined total English	Combined total Dutch	Dutch VOC & WIC
1622	2,619		2,320	4,939		
1624–5					12,163	557
1640s					17,110	1,106
1660s	4,395	900	3,239	8,534	12,200	1,626
1690s					17,529	2,224
1699–1701	5,849	1,986	4,433	12,268		
1716–20	6,054	2,291	4,739	13,084		
1733–5	7,757	3,104	5,717	16,578		
1749–55	8,144	3,438	8,645	20,227		
1753	8,625	3,511	8,732	20,868	16,392	4,067
1764–76						
1772–4	12,735	5,818	9,853	28,406		
1779	10,660	5,580	7,013	23,253	15,784	3,308
1784–8	15,303	4,286	11,050	30,639		
1790	17,443	4,828	14,057	36,328	14,350	2,759

Source: Ormrod 2003, pp. 56–7.

Neither is it true that the initial reaction to increased competitive pressures was decidedly non-capitalist. According to De Vries and Van der Woude, the response of manufacturers was threefold: ‘changes in product mix, introduction of labor-saving technology, and locational shifts toward lower-wage regions’.¹²⁰ Ultimately, many of these strategies remained unsuccessful, but this only became clear in the course of the eighteenth century.

The other central argument for the non-capitalist nature of Dutch society is the supposed withdrawal of the Dutch merchant-élite into non-economic forms of surplus-extraction. This ties in with a long-lasting debate within Dutch historiography on seventeenth- and eighteenth-century processes of ‘aristocratisation’. After they had established their power during the Dutch Revolt, the ruling merchants soon started to develop into a closed oligarchy with a strong hold on urban and provincial governments. With economic decline, these ruling merchants tended to withdraw from active trading, instead investing in landed property and government-bonds, and acquiring a more ‘aristocratic’ lifestyle.¹²¹ This argument certainly contains much that is

120. De Vries and van der Woude 1997, p. 676.

121. For example, Roorda 1964.

valid. Members of the Dutch ruling class became increasingly involved in the accumulation of political functions. Already in the seventeenth century, many had combined business-careers with public office, often shared within their family or close circle.¹²² However, only for a minority of those involved in running the state did office-holding become the most important source of income.¹²³ Most positions within the state did not earn an income of more than *f*2000 a year. Only a minority of all regents became rich or richer just by taking part in politics.¹²⁴

The most successful members of the Dutch governing élite of the seventeenth century managed to combine office-holding with their economic functions as merchant-entrepreneurs or long-distance traders. Not everyone did so in such a caricatured fashion as Willem Hoppevelt and Abraham Keyser, who substituted their income from minor functions as scribes for the province of Holland with a highly profitable international business in secret state-papers.¹²⁵ Much more common were the cases of Reynier Cant, Louis Trip and Gillis Sautijn, who combined ruling functions in the Amsterdam city-government with trade in cannons and ammunition.¹²⁶ Whereas, in many other countries, such interpenetration of office and trade led to the complete overpowering of the market by monopolistic practices and personal trading privileges, this seems to have been far less the case in the Dutch Republic. The direct participation of a very substantial part of the economic ruling class in office created strong checks against individual merchants using state-power for their own exclusive benefit. Despite a number of spectacular cases of corruption, public auctioning and ‘open’ competition in government-contracting were probably more dominant even than in England.¹²⁷ In absolutist France or Spain, the close ties between small groups of merchants or financiers and the state led to a colonisation of the growing market-relations by royal interests. In the Netherlands, similar integration resulted in a form of collective ‘bourgeois self-rule’.

Large-scale investment in state-obligations became a favourite form of securitisation of existing wealth for those merchants-cum-politicians. But laying a hand on state-revenues was not a hidden form of refeudalisation or a transition to tributary relations, as it might have been in countries such as

122. Adams 2005.

123. Zandvliet 2006, p. xv.

124. De Jong 1987, p. 82.

125. Knevel 2001, pp. 97–9.

126. Burke 1974, pp. 59–60.

127. This conclusion is affirmed by my own research on military contracting in the seventeenth and eighteenth centuries, which I hope to publish soon.

Spain or France where state-income still ultimately rested on surpluses amassed by extra-economic extraction. Dutch tax-income in the eighteenth century as much as in the seventeenth rested on the highly commercialised nature of the Dutch economy. It was a form of redistribution and concentration of wealth, but one that was firmly rooted in the developed commercial base of the economy. Once decline in the industrial sector set in, a substantial part of the ruling capitalists transformed themselves from active merchant-industrialists into financial capitalists. In this way, aristocratisation did take place, although it should be sharply delineated from the 'refeudalisation' that occurred when the ruling merchants of the Italian city-states reverted to non-commercial landholding. In his study of the Leyden élite of the eighteenth century, Maarten Prak showed that an average member of the city-magistrate held a staggering 60 per cent of their assets in state-obligations, for which they received a rent. Another 11.7 per cent – or 15 per cent for the family-members of regents – was invested in foreign, mainly British, loans and stocks. Houses, land and titles made up 13.9 per cent of the regents' wealth, but much of this consisted of productive investments in capitalist agriculture.¹²⁸ The situation in Leyden was more-or-less representative for most of the Republic, except that 'industrial' decline was probably sharper than elsewhere.

The large amount of revenues that could be redistributed among the Dutch ruling class through state-bonds is a reminder that eighteenth-century decline should not be seen in overly absolute terms. Even in the sphere of production, the Dutch Republic probably remained one of the most advanced societies in Europe. But the inability to break through the trends toward financialisation, the persistent economic localism and political fragmentation did mean that Dutch early-modern capitalism could not become the launching-pad for an industrial revolution. The ruling class of the Dutch Republic by-and-large did not favour the attempts at reform for industrial revival that were proposed by more farsighted statesmen in the course of the eighteenth century. Instead, the Amsterdam capital-market became a major source of money-capital underpinning the British state-debt and private investment.¹²⁹ Whereas, from a national perspective, the transition to capitalism was stalled, from a global perspective it was partially displaced, feeding into the British industrial revolution while continuing to fill the pockets of the Dutch ruling class. When in the 1780s, and again in 1795, revolutionary movements rose against this regent-class, the 'fight against aristocracy' became a popular battle-cry. But those movements never had to dispose of a real aristocracy of the land. This

128. Prak 1985, p. 117.

129. Riley 1980, pp. 119ff.

had been broken economically in the late-medieval period, and politically in the course of the Dutch Revolt. What remained of it was largely a symbolic force. The second round of the bourgeois revolution was directed against the monied aristocracy of the Amsterdam stock-exchange, which had managed to integrate itself into international capital while forming a barrier to industrial development in the Netherlands itself.

Conclusions

In the debate on the transition from feudalism to capitalism, the Dutch Republic has figured as a fully crystallised form of merchant-capitalism. But the arguments on both sides of the debate have been based on an image of pre-industrial Dutch society that is often sketchy, stereotypical and outdated. This article has sought to provide a more rounded view, corresponding to the current state of historical research. Central to the alternative interpretation of Dutch early-modern capitalism presented here has been to show how strongly Dutch commercial primacy was actually rooted in a transformation at the point of production, rather than being artificially crafted on a non-capitalist base.

This reinterpretation raises serious difficulties for both major strands in the debate. On the one hand, if even the most mercantile of all merchant-Republics could only flourish on the basis of a prior social transformation at the point of production, this adds to the criticisms that were made of the Sweezy-Wallerstein school of commercialisation as the driving force towards capitalism. On the other hand, taking seriously the interplay between rural- and urban-economic development that was so central to the Dutch case poses real problems for the Brenner school, with its almost exclusive focus on agricultural class-relations and its elevation of one privileged English path of agrarian transformation as the ultimate measure of success. First, even within the small area of the Northern Low Countries, not one, but at least three distinct trajectories led to the spread of capitalist relations in agriculture. Second, their form and content did not only rely on class-relations in the countryside, but, crucially, on the interaction between development in the countryside and in the towns, leading to an urban-agrarian symbiosis involving trade and production. Third, the success of this symbiosis depended on the growing division of labour between various regions of Europe expressed in the expansion of international trade, even when the way in which the Dutch provinces managed to integrate themselves into this expanding trade-network differed from that of the Hanse cities or the Italian city-states because of the extent to which capitalist relations had already taken root in fishing,

manufacture and agriculture. Fourth, the importance of the Dutch Revolt in freeing the economy of the Low Countries from the political constraints that followed from their integration into the Habsburg Empire suggests that a revolutionary transformation of the state-structure was indispensable in furthering capitalist development, even though this revolution was not initiated by the bourgeoisie itself, and was neither the starting-point nor the final act in the transition.

The seventeenth-century expansion of Dutch capitalism left a huge imprint on the spread of the system worldwide. While important, this impact was certainly not confined to that of the Dutch East India Company and the Dutch rôle in the transatlantic slave-trade. Contrary to long-established views, homeland-production far outstripped colonial goods and luxuries even in foreign trade. The seventeenth-century 'Golden Age' saw the deepening of the medieval urban-agrarian symbiosis, extension of wage-labour, substantial development of manufacture and the growing economic integration of the different regions within the Dutch Republic. However, the Dutch trajectory of capitalist development also carried strong marks of its early birth. Although the strength of merchant-capital went hand-in-hand with substantial changes in production, the core of the capitalist class always remained focused primarily on trade. This started to become a serious hindrance to further capitalist development once the Dutch were outcompeted or forced out of international markets by political means from the 1650s onwards. Financialisation, based on the strong integration in international capital-flows, proved the easier option for the Dutch ruling class over a restructuring of production, leading to the long eighteenth-century depression. Meanwhile, the consistent localism and small scale of production meant that drawing-up the walls of urban protectionism remained the preferred answer to increased competition for much of the urban middle classes. The federal state-apparatus, probably more directly populated and controlled by the leading capitalist families than any state before or afterwards, could never act as a counterweight to these trends. Instead, it helped to enforce economic policies that were characterised by the absence of protectionism on a national scale and strong protectionism on a local scale. These strongly favoured merchant and financial capital over productive capital, creating social tensions that contributed to the revolutionary waves of the 1780s and 1790s.

The advanced economic structure of the seventeenth-century Dutch Republic did not become the launching-pad for an early industrial revolution. But, reading the history of the transition backwards from its late-eighteenth century result has marred our understanding of the many changes in the shape of capitalism before its final breakthrough. Too much of the transition-debate

has been recast as a debate on ‘why Britain succeeded and the rest failed’. What is lost in this way is Marx’s fundamental insight into the international character of the transition, in which the ‘different momenta of primitive accumulation distribute themselves..., more or less in chronological order, particularly over Spain, Portugal, Holland, France, and England’.¹³⁰ The story of this distribution of moments is not simply one of linear national trajectories, consisting of many failures and one privileged path to success. Rather, it consists of a real dialectical unity, in which the stalled fragments of capitalist development in one country formed the elements of its further development in the next.

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130. Marx 1965, p. 703.

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