Factor markets in England before the Black Death

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Abstract

The origin of modern English factor markets can be dated to the two centuries of active commercialisation that preceded the Black Death of 1348-9. An active market in labour appears to have developed first and was well established by the end of the twelfth century. Evolution of an active market in land followed the legal reforms initiated by Henry II in the 1160s and 1170s, which severed the established feudal connection between land holding and personal obligation and created legally secure and defensible property rights in land. Thenceforth, first freehold land and then villein land were bought and sold with increasing frequency. This had a galvanising effect upon the growth of a capital market, since land now became a security against which credit could be obtained. Moreover, as, in an inflationary age, land became an appreciating asset, so men increasingly borrowed in order to acquire land.

Nevertheless, none of these nascent factor markets functioned unconstrained. Money wages were determined more by custom than by market forces. Serfdom prevented half the population from full and uninhibited participation in the labour market. Villein land was subject to the will of the lord, excluded from the jurisdiction and protection of the royal courts, and governed by manorial custom. The legal security of leasehold tenure long remained inferior to that of freehold tenure. Until 1283 Jewish moneylenders were in a stronger legal position to enforce debts than their Christian counterparts, and the latter had to contend with the Church's strictures against the charging of interest enforced by canon law. Moreover, In England, as in much of the rest of northern Europe, interest rates were high. These constraints ensured that English medieval factor market operated with sub-optimal economic efficiency. They also left a legacy of legal, tenurial, and institutional complexities which it would take later generations centuries to reform.

Introduction:

Was the precocious development of efficient factor markets a key ingredient of England's eventual emergence as the world's first industrial nation? If so, it is in the two centuries prior to the Black Death of 1348-9 that the origin and early development of those markets must undoubtedly be sought. That was when the governmental, fiscal, legal, tenurial, and commercial infrastructures were put in place upon which so much subsequent economic development would be founded.[1] Moreover, the twelfth and thirteenth centuries were themselves a period of significant economic achievement, when populations grew and commercial activity expanded throughout the known world. For Janet Abu-Lughod this culminated in the creation of the first world economy, when trading links were established between easternmost Asia and westernmost Europe.[2] England, however, was marginal rather than central to that world economy, whose commercial epicentres lay elsewhere – in Flanders and northern France, northern Italy, Constantinople, and beyond. Indeed, contemporary *mappa mundi* place it on the outer edge of the known world, with only Ireland, Scotland, and Iceland lying beyond.[3] At this early stage of development there was nothing to indicate that England would one day achieve world or even European economic hegemony.

At the climax of its medieval economic expansion, c.1290, England remained an overwhelmingly agrarian economy, geared towards the production of primary products by mostly relatively land extensive methods, and dependent upon the import of luxury commodities,

[1] Useful accounts are provided by: R. H. Britnell, *The commercialisation of English society 1000-1500*, Cambridge, 1993; E. Miller and J. Hatcher, *Medieval England: towns, commerce and crafts 1086-1348*, London, 1995.

[2] J. L. Abu-Lughod, *Before European hegemony: the world system A.D. 1250-1350*, Oxford, 1989. Abu-Lughod's thirteenth-century world system comprised eight inter-linked circuits, p. 34.

[3] C. Delano-Smith and R. J. P. Kain, *English maps: a history*, London, 1999, pp. 36-42.

manufactured goods, and bullion from other more developed economies, notably Flanders and Italy.[4] In contrast with the latter, it was relatively weakly urbanised (with fewer than 20 per cent of its population living in towns of all sizes) and in absolute terms its largest towns were small.[5] By 1290, London, by far the largest and most important, could boast fewer than 75,000 inhabitants and, with rare exception, all other towns had populations of less than 20,000.[6] At that time the national population probably numbered between 4 and 4½ million.[7] Although craft manufacture for domestic markets was firmly established, it was limited in scale and as yet made but a modest contribution to GDP. There was a highly developed building industry but buildings by their very nature cannot be exported.[8] Instead, wool, hides, tin, and lead were England's principal exports, a clear indication that the country's international comparative advantage lay in grass-based livestock production and the extraction of scarce metals. Nor did most of the profits of that trade accrue to England since a majority of it was handled by alien rather than

[4] B. M. S. Campbell, 'The sources of tradable surpluses: English agricultural exports 1250-1349', pp. 1-30 in L. Berggren, N. Hybel and A. Landen, eds., *Cogs, cargoes and commerce: maritime bulk trade in northern Europe, 1150-1400,* (Toronto, Pontifical Institute of Mediaeval Studies, 2002).

[5] C. C. Dyer, 'How urbanized was medieval England?' in J.-M. Duvosquel and E. Thoen, eds., *Peasants and townsmen in medieval Europe: studia in honorem Adriaan Verhulst*, Ghent, 1995, pp. 169-83; D. A. Hinton, 'The large towns 600-1300' and J. Kermode, 'The greater towns 1300-1540', pp. 217-43 and 441-65 in D. M. Palliser, ed., *The Cambridge urban history of Britain*, i, *600–1540*, Cambridge, 2000.

[6] B. M. S. Campbell, J. A. Galloway, D. J. Keene, and M. Murphy, *A medieval capital and its grain supply: agrarian production and its distribution in the London region c.1300*, Historical Geography Research Series, 30, n. p., 1993; P. Nightingale, 'The growth of London in the medieval English economy', pp. 89-106 in R. H. Britnell and J. Hatcher, eds., *Progress and problems in medieval England: essays in honour of Edward Miller*, Cambridge, 1996.

[7] B. M. S. Campbell, *English seigniorial agriculture 1250-1450*, Cambridge, 2000, pp. 399-406.

[8] L. M. Salzman, *Building in England down to 1540: a documentary history*, Oxford, 1952; R. K. Morris, *Cathedrals and abbeys of England and Wales: the building church, 600-1540*, London, 1979.

denizen merchants.[9] Small wonder, therefore, that agriculture dominated the national economy, both as an employer of labour and in its contribution to GDP.[10] Nor is it surprising that GDP per capita was probably lower in England than in the more advanced European and Asian economies of the day, where the division of labour was greater and 'value added' activities were more significant.[11]

Most historians of the medieval English economy now regard the twelfth and thirteenth centuries as a period of active commercialisation, when more people became more dependent for more of their livelihoods upon market exchange.[12] Of late this process of commercialisation has come in for a good deal of attention. Prices for a vast array of commodities have been collected and assembled into annual series.[13] Monetarists and numismatists have charted the quantity and quality of the money supply.[14] Marketing institutions chartered by the Crown – markets, fairs, and boroughs – have been documented, counted, and mapped.[15] Individual towns have been researched and excavated and

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[9] E. M. Carus-Wilson and O. Coleman, *England's export trade 1275-1547,* Oxford, 1963; T. H. Lloyd, *Alien merchants in England in the High Middle Ages*, Brighton, 1982; Miller and Hatcher, *Medieval England*, pp. 182-213.

[10] Campbell, *English seigniorial agriculture*, pp. 406-10.

[11] S. R. Epstein, *Freedom and growth: the rise of states and markets in Europe, 1300-1750*, London and New York, 2000, p. 10.

[12] Britnell, *Commercialisation*; R. H. Britnell and B. M. S. Campbell, eds., *A commercialising economy: England 1086-c.1300*, Manchester, 1995; J. Masschaele, *Peasants, merchants, and markets: inland trade in medieval England, 1150-1350*, New York, 1997; C. C. Dyer, *Making a living in the Middle Ages: the people of Britain, 850–1520*, New Haven and London, 2002.

[13] D. L. Farmer, 'Prices and wages', pp. 716-817 in H. E. Hallam, ed., *Agrarian history of England and Wales*, ii, *1042-1350*, Cambridge, 1988; D. L. Farmer, 'Prices and wages, 1350-1500', pp. 431-525 in E. Miller, ed., *The agrarian history of England and Wales*, iii, *1348-1500*, Cambridge, 1991.

[14] N. J. Mayhew, 'Population, money supply, and the velocity of circulation in England, 1300-1700', *Economic History Review*, 2nd series, 48 (1995), pp. 238-57; M. Allen, 'The volume of the English currency, 1158-1470', *Economic History Review*, 2nd series, 54 (2001), pp. 595-611.

[15] S. Letters with M. Fernandes, D. Keene, and O. Myhill, *Gazetteer of markets and*

efforts made to estimate their sizes and functions and reconstruct the extent to which they were integrated into a functioning urban hierarchy.[16] Attempts have been made to define the supply hinterlands of the greatest of those towns for provisions, fuel, and raw materials and to elucidate how rural suppliers were linked to urban consumers.[17] Much attention has also been paid to the commodities that were traded, both unprocessed and processed and especially those that entered international trade.[18] From 1275, when overseas trade by both aliens and denizens became liable to the payment of customs duty, the latter are the most visible and measurable components of trade.

The role of overseas and domestic demand in shaping the production decisions of rural producers has been investigated by reconstructing patterns of land-use and husbandry on the well-documented estates of seigniorial lords and by measuring the proportion of net production that was sold on the open market.[19] Patterns and levels of commercial involvement by non-seigniorial producers, in turn, have been inferred from the evidence of tax returns and pleas of debt, both of

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fairs in England and Wales to 1516 (parts 1-2), List & Index Society, Special Series, 32-33, Kew, 2003; B. M. S. Campbell and K. Bartley, *England on the eve of the Black Death: an atlas of Lay wealth, land, and property, 1300-49*, Manchester, 2005, pp. 299-312.

[16] E.g. D. J. Derek. *Survey of medieval Winchester, 2 vols.,* Winchester studies, 2, Oxford, 1985; Palliser, ed., *Cambridge urban history*; C. Dyer, ‘Trade, urban hinterlands and market integration, 1300-1600’, pp. 103-9 in J. A. Galloway, ed., *Trade, urban hinterlands and market integration, c.1300-1600: a collection of working papers given at a conference organised by the Centre for Metropolitan History and supported by the Economic and Social Research Council, 7 July 1999*, Centre for Metropolitan History, Working Papers, 3, London, 2000.

[17] Campbell, and others, *Medieval capital*; J. A. Galloway, D. J. Keene, and M. Murphy, ‘Fuelling the city: production and distribution of firewood and fuel in London’s region, 1290-1400’, *Economic History Review*, 2nd series, 49 (1996), pp. 447-72; J. S. Lee, ‘Feeding the colleges: Cambridge’s food and fuel supplies, 1450–1560’, *Economic History Review*, 2nd series, 56 (2003), pp. 243-64.

[18] E. Power, *The wool trade in English medieval history*, Oxford, 1941; T. H. Lloyd, *The English wool trade in the Middle Ages*, Cambridge, 1977; J. Hatcher, *English tin production and trade before 1550*, Oxford, 1973.

[19] Campbell, *English seigniorial agriculture.*

which survive in abundance from the late thirteenth century.[20] Consequently, although it is generally accepted that a majority of England's population c.1290 lived at a subsistence standard of living (and were increasingly susceptible to crises of subsistence) it is now acknowledged that few if any households were economically self sufficient. Most people met a growing proportion of their daily needs by buying and selling goods, services, and labour.[21] Consequently, when supply failed, demand faltered, or markets malfunctioned, many experienced significant and sometimes severe economic hardship.[22] Commercial recession is now recognised as an important component of the so-called 'crisis' of the early fourteenth century, of which war, famine, and plague were more conspicuous and dramatic components.[23]

In all of these commercial developments the existence and operation of factor markets in land, labour, and capital have largely been taken for granted.[24] Certainly, they have attracted far less systematic attention than marketing institutions, the rules of marketing, and the commodities marketed, on all of which there is now a substantial literature. In part, of course, the existence, operation, and growth of

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[20] K. Biddick, 'Missing links: taxable wealth, markets and stratification among English medieval peasants', *Journal of Interdisciplinary History*, 18 (1987), pp. 277-98; Masschaele, *Peasants, merchants, and markets*; D. J. Keene, 'Changes in London's economic hinterland as indicated by debt cases in the Court of Common Pleas', pp. 59-81 in Galloway, ed., *Trade, urban hinterlands and market integration*.

[21] C. Dyer, *Everyday life in medieval England*, London, 1994, p. 285.

[22] M. Bailey, 'Peasant Welfare in England, 1290–1348', *Economic History Review,* 2nd series, 51 (1998), pp. 223-51.

[23] B. M. S. Campbell, ed., *Before the Black Death: studies in the 'crisis' of the early fourteenth century*, Manchester 1991; J. H. Munro, 'The "industrial crisis" of the English textile towns, c.1290-c.1330', pp. 103-42 in M. Prestwich, R. H. Britnell, and R. Frame, eds., *Thirteenth century England VII : proceedings of the Durham conference 1997*, Woodbridge, 1999.

[24] G. Snooks, 'The dynamic role of the market in the Anglo-Norman economy and beyond, 1086-1300', pp. 27-54 in Britnell and Campbell, eds., *Commercialising economy*, pp. 41-3, was the first to draw explicit attention to the economic importance of medieval factor markets.

factor markets was a *sine qua non* of the rise of commodity markets and few if any historians would argue that land, labour, and capital were excluded from the process of commercialisation. All three could certainly be bought and sold in pre-Black Death England and probably had been since at least the advent of the first explicit evidence in the second half of the twelfth century. More at issue are the ease and regularity with which they were transacted, the rules and procedures that governed their exchange, the efficiency and cost of these transactions, and the extent to which markets for land, labour, and capital remained limited, localised, and un-integrated. As Graeme Snooks emphasised in 1991, when drawing attention to the neglected importance of medieval factor markets: 'By 1300 factor markets in land, labour, and capital had all been established and much growth had occurred; in subsequent centuries further growth resulted from improvements to the efficiency of those markets and an increase in their activity'.[25]

Self evidently, an array of entrenched rules, rights, and beliefs militated against the cheap, smooth, and efficient operation of medieval factor markets. Land, for instance, was not a chattel. At no point in the Middle Ages was it owned outright and exclusive of the rights of others. Only the monarch - from whom under feudal property law ultimately all land was held - was an exception. This, as Marc Bloch observed, was a characteristic feature of European feudalism: 'nearly all land and a great many human beings were burdened at this time with a multiplicity of obligations differing in their nature, but all apparently of equal importance'.[26] It meant that if land changed hands, by conveyance or inheritance, the rights of those with claims upon it had to be respected, especially those with a superior proprietary right.

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[25] Snooks, 'Dynamic role of the market', p. 43.

[26] M. Bloch, *Feudal society*, trans. L. A. Manyon, London, 1961, p. 116.

Labour, too, was bound and constrained. Slavery was not abolished in England until the close of the eleventh century. Serfdom, by which many more people were tied, lasted as an institution until the reign of Elizabeth I (1558-1603), although it was in decay from at least the fourteenth century.[27] Serfdom was an inherited status. Serfs were born unfree, were tied to the manors of their birth, typically held land by villein tenure, were subject to the sole jurisdiction and justice of their lords, and, unlike free tenants, were denied the protection and justice of the royal courts. During the thirteenth century lawyers elaborated the common law of villeinage, which gave lords first claim on the labour of their bonded serfs.[28] By the early fourteenth century the latter accounted for just under half of the tenant population and just over half of all tenanted land was held by villein tenure.[29] Only gradually did a distinction emerge between the personal status of being unfree (serfdom) and the tenure of unfree land (villeinage). Eventually, villein tenure was transformed into copyhold tenure, the land in both cases being held at the will of the lord with proof of title being recorded in the relevant manorial court roll.[30]

Just as the law of villeinage imposed restrictions on labour, so canon law imposed constraints upon capital due to its censure of usury.[31] Because interest *per se* could not be charged other devices needed to be employed to secure an adequate return to those who provided credit and offset the considerable risks of doing so. Legal procedures for the

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[27] R. H. Hilton, *The decline of serfdom in medieval England*, 2nd edition, London and Basingstoke, 1983.

[28] P. R. Hyams, *King, lords and peasants in medieval England: the common law of villeinage in the twelfth and thirteenth centuries*, Oxford, 1980.

[29] B. M. S. Campbell, 'The agrarian problem in the early fourteenth century', *Past and Present*, 188 (forthcoming, August 2005).

[30] For a case study see J. Whittle, *The development of agrarian capitalism: land and labour in Norfolk, 1440-1580*, Oxford, 2000.

[31] http://www.newadvent.org/cathen/15235c.htm; http://www.eh.net/encyclopedia/?article=jones.usury (accessed 12/6/2005).

recovery of debts could be cumbersome, especially when these were incurred in overseas trade. Consequently, thirteenth-century English interest rates on private loans, as calculated by Gregory Clark, were high – between 9 and 12 per cent.[32] Credit was certainly available – indeed, to judge from the quantity of recorded debt cases, it is doubtful that the economy could have functioned without it - but it was at a price.[33]

To date, research into each of these factor markets remains limited and uneven. Most is, and probably can be, known about the labour market, since it is the most explicitly and abundantly recorded in available historical sources and has long captured the interest of economic historians. The land market has attracted less attention, notwithstanding a wealth of information, since historians have been more reluctant to engage with the technical complexities of tenure and property law. For a combination of evidential and technical reasons, no attempts have as yet been made to reconstruct price and rent series for land. Only a handful of historians have attempted to grapple with the greater complexities of the capital market. Here, there has been a tendency to focus on the lenders rather than the loans and the debtors rather than the debts. Moreover, the bulk of the evidence from which historians perforce must work tends to be negative, insofar as it derives from legal records of bad debts. Nevertheless, recent attempts to reconstruct interest rates from the beginning of the thirteenth century have met with some success. Significantly, Clark and Epstein identify a significant fall in both English and European interest rates over the course of the fourteenth century,

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[32] G. Clark, 'The cost of capital and medieval agricultural technique', *Explorations in Economic History*, 35 (1998), pp. 265-94.

[33] E.g. E. Clark, 'Debt litigation in a late medieval English vill'', pp. 247-79 in J. A. Raftis, ed., *Pathways to medieval peasants*, Toronto, 1981.

prompting interesting questions concerning the precise timing of and reasons for that fall.[34]

Labour markets

Hired labour was undoubtedly less important than self-employed and family labour within the medieval economy, but almost certainly more important than servile labour, notwithstanding that the last is typically regarded as one of the diagnostic features of the English feudal economy. Richard Britnell has estimated that by 1300 wage labour may have accounted for about a fifth to a quarter of the total labour expended in producing goods and services within the economy at large.[35] Waged labour was the norm in the building industry (especially on the many large building projects of the period), which experienced a sustained boom from the late eleventh to the early fourteenth centuries. Its records provide the best and longest available series of task-specific wage rates, as famously reconstructed for the period 1264 to 1954 by Henry Phelps Brown and Sheila Hopkins and now extended back to 1209 by Clark.[36] Wage earning was also integral to the urban economy and was a powerful bait to the many who, over the course of the twelfth and thirteenth centuries, migrated to towns. Nevertheless, it was in the countryside that the single greatest volume of waged employment was to be found, both throughout the year and, most conspicuously, at periods of peak labour demand during the hay, wool, and grain harvests.

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[34] Clark, 'Cost of capital'; Epstein, *Freedom and growth,* pp. 61-2.

[35] R. H. Britnell, 'Commerce and capitalism in late medieval England: problems of description and theory', *Journal of Historical Sociology*, 6 (1993), p. 364.

[36] E. H. Phelps Brown and S. V. Hopkins, *A perspective of prices and wages,* London, 1981, pp. 1-31; G. Clark, 'Work, wages and living conditions: building workers in England from the *Magna Carta* to Tony Blair', pp. 889-932 in S. Cavaciocchi, ed., *L'edilizia prima della rivoluzione industriale secc. XIII-XVIII*, Atti della "Trentaseiesima Settimana di Studi", Prato, 2005.

It was as employers rather than coercers of labour that lords were most important, since the seigniorial sector, which accounted for at most a quarter to a third of total agricultural production, was never adequately supplied with servile labour.[37] By 1300 the proportion of seigniorial production actually accounted for by labour services may have been as little as 8 per cent, whereas the proportion accounted for by hired labour was more than ten times as great.[38] Consequently, the labour sold to lords by tenants far exceeded that paid to them in rent. Manorial accounts, the earliest of which date from 1208-9, record both the works performed by servile tenants and the payments made to hired workers, casual and full time. The late David Farmer has used the task-specific payments for threshing and winnowing and for reaping and binding to reconstruct an annual series of agricultural wage rates commencing in 1208-9 and has combined this with prices to estimate the purchasing power of wages.[39]

By the close of the thirteenth century hired labour was both cheap and abundant and in the second half of the fourteenth century David Stone has shown that it was better motivated and cheaper to police than servile labour.[40] Accordingly, prudent and progressive lords increasingly commuted labour services and substituted hired workers. John Hatcher reckons that less than a third of villein households were still regularly performing week works (the most burdensome of customary services) at the close of the thirteenth century, and, presumably, performing them

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[37] H. L. Gray, `The commutation of villein services in England before the Black Death', *English Historical Review*, 29, 116 (1914), pp. 625-56; E. A. Kosminsky, *Studies in the agrarian history of England in the thirteenth century*, trans. R. Kisch, ed. R. H. Hilton, Oxford, 1956, pp. 152-96; Campbell and Bartley, *England on the eve of the Black Death*, pp. 251-68.

[38] Campbell, *English seigniorial agriculture*, p. 3.

[39] Farmer, 'Prices and wages'.

indifferently.[41] Lords of the many small manors with only free tenants had no alternative but to hire labour and the same usually applied to the numerous glebe farms of rectors. Except on the great serf-run estates, such as those operated by the bishop of Winchester and abbot of Glastonbury, lords typically managed their demesnes with a permanent staff of farm servants or *famuli* (forerunners of the 'servants in husbandry' of later centuries) employed on annual contracts in return for food, accommodation, and a fixed money wage.[42] In many respects *famuli* were the aristocracy of labour, for they enjoyed considerable security of employment and were relatively well looked after. There were also many small ways in which they could profit at their lord's expense. On the vast majority of English manors, these were the workers who ploughed, harrowed, and sowed, managed the working animals, and herded and shepherded livestock. Substantial freeholders and even many 30-acre (12 hectare) yardlanders, also undoubtedly hired labour on a casual or annual basis. Yardlanders owing weekworks often lacked sufficient family labour to work a 30-acre holding and fulfil their labouring obligations on the demesne and therefore hired workers to make good the shortfall.

So populous was the pre Black Death countryside that there was evidently no shortage of workers available for hire. The families of cottagers, labourers, paupers, and vagrants outnumbered those of

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[40] D. Stone, 'The productivity of hired and customary labour: evidence from Wisbech Barton in the fourteenth century', *Economic History Review*, 2nd series, 50 (1997), pp. 640-56.

[41] J. Hatcher, `English serfdom and villeinage: towards a reassessment', *Past and Present*, 90 (1981), p. 12.

[42] On the Winchester estate see, B. M. S. Campbell, 'A unique estate and a unique source: the Winchester Pipe Rolls in perspective', pp. 21-43 in R. H. Britnell, ed., *The Winchester Pipe Rolls and medieval English society*, Woodbridge, 2003). On *famuli* see M. M. Postan, *The famulus: the estate labourer in the XIIth and XIIIth centuries*, Economic History Review Supplement 2, Cambridge, 1954; D. L. Farmer, 'The *famuli* in the later Middle Ages', pp. 207-36 in R. H. Britnell and J. Hatcher, eds., *Progress and problems in medieval England: essays in honour of Edward Miller*, Cambridge, 1996.

yardlanders (of which there were perhaps 150,000) by more than two to one. In addition, there were at least ¼ million smallholding families, most of whom had more labour than they could gainfully employ on their own holdings. In fact, three-quarters of all rural families were crowded onto less than a third of the land and therefore obliged to augment the inadequate agricultural income from their holdings with such earnings from by-employment as they could obtain.[43] Freeholders, who by 1300 outnumbered serfs, were disproportionately represented among these smallholding groups due to the greater susceptibility of their holdings to subdivision and subletting.[44] Without a well-developed labour market such households could not have survived.

Those who worked as wage labourers did not as yet constitute a rural proletariat. Individuals may have been landless, but households rarely were. Together, land and family were the pre-requisites for survival. Within the countryside, those who lived by their labour alone, unsupported by land holding in any form, were as yet a minority. Employment opportunities varied too much from season to season and year to year for wage earning by itself to provide a reliable basis for family formation. Without at least some land, albeit only a cottage and a garden with a cow on the commons, it was difficult for labourers to survive slack seasons and poor years. The principal suppliers of wage labour were therefore young adults from established tenant households and those cottagers and small holders with labour in excess of their own needs. The truly landless were always liable to succumb to destitution and vagrancy, becoming beggars and thieves rather than workers. Vagrants were the most vulnerable members of rural society and those that were able bodied were the object of much contemporary social disapproval. In

[43] B. M. S. Campbell, 'England, Wales, Scotland and Ireland *c.*1290: an economic comparison', unpublished paper.

[44] Campbell, 'Agrarian problem'.

1349 the Ordinance of Labourers complained of ‘many sturdy beggars – finding that they can make a living by begging for alms – are refusing to work, and are spending their time instead in idleness and depravity, and sometimes in robberies and other crimes’.[45]

Wage earners are among the most anonymous members of rural society. Rarely are they named in the documents that record their employment. Nor do manorial court rolls shed much light upon them, for it is those landed villagers who dominated manorial life whose careers and families are most readily reconstituted.[46] Poor labourers and their families, who typically held land as sub-tenants rather than head-tenants, usually feature but fleetingly in court rolls, not least because of their propensity to die out and disappear. At Halesowen in Worcestershire Zvi Razi has demonstrated that it was the constant downward social displacement of the surplus children of substantial tenants into the ranks of cottagers, commoners, squatters, and sub-tenants that maintained the supply of wage earners on the manor.[47] These are the very groups least well represented in extents and surveys. Nor do they show up in extant tax lists, for most who laboured for a living were too poor to contribute to the lay subsidies, from which those with movable goods worth less than 10 shillings were exempt.

Rural wage earners certainly had a very tangible social and economic presence but they are hard to identify and harder still to count. They were the small fry of the medieval countryside and they slip through the historical net. This is unfortunate for this is the rural socio-economic group that expanded most before 1349, contracted most thereafter, and

[45] R. Horrox, ed., *The Black Death*, Manchester, 1994, p. 289.

[46] J. A. Raftis, *Tenure and mobility: studies in the social history of the mediaeval English village*, Toronto, 1964; J. A. Raftis, *Peasant economic development within the English manorial system,* Stroud, 1997.

[47] Z. Razi, *Life, marriage and death in a medieval parish: economy, society and demography in Halesowen, 1270-1400*, Cambridge, 1980.

most bore the brunt of famine, economic recession, and plague. Upon their numbers largely hinges the debate over the size of England's medieval population: the higher the estimate of population the greater their numbers must have been. Only on the estate of Glastonbury Abbey do the landless shed their anonymity, for on each manor they are listed each year in the rolls of the Eastertide court – 'an estimated 30,000 entries for all manors on the estate before 1348'.[48]

Well before the Black Death, in fact, there may have been a serious oversupply of agricultural labour, resulting in significant under- and un-employment.[49] Undoubtedly, the situation had been much healthier a century earlier, when the economy had been expanding rapidly and was as yet unencumbered by an excess of labour. The superior labouring opportunities of the opening decades of the thirteenth century are apparent in higher real wage rates, which (on the dubious economic assumption in this era of wage 'stickiness' that the real wage equalled the marginal product of labour) imply superior levels of marginal labour productivity.[50] Unfortunately, all attempts to extend these wage series back to the 1160s, when the first price data become available and prior to the rampant inflation which between 1180 and 1220 must have eroded the real value of wages, have foundered on the lack of suitable documentation.[51] Quite possibly, the twelfth century was the first 'golden age' of the hired labourer, when wage earners may have reaped the reward of an economy that was expanding faster than the labour supply.

[48] H. S. A. Fox, 'Exploitation of the landless by lords and tenants in early medieval England', pp. 518-68 in Z. Razi and R. M. Smith, eds., *Medieval society and the manor court*, Oxford, 1996, p. 520.

[49] Campbell, 'Agrarian problem'.

[50] J. H. Munro, 'Nominal wage stickiness and the real-wage problem: J. M. Keynes, Adam Smith, and the evidence', *Research in Economic History*, 21 (2003), 186-297; G. Clark, 'The long march of history: farm laborers' wages in England, 1209-1869', www.econ.ucdavis.edu/faculty/gclark/papers/.

[51] Farmer, 'Prices and wages'; P. Latimer, 'Early thirteenth-century prices', pp. 41-73 in

Over the ensuing century, in contrast, money wages failed to keep pace with the progressive inflation in prices while population growth resulted in growing competition for work.

Real wages held up reasonably well until the famine of 1257-8 but thereafter took a permanent turn for the worse, especially in years of bad harvests and high prices.[52] Wage earners found themselves penalised by the inherent inertia of money wages, to which John Munro has recently drawn attention.[53] To compound the situation, expansion of the economy was slowing down while the accumulated momentum of population growth meant that the supply of labour was increasing more rapidly than the demand for it. By the mid-1270s wages would buy only half what they had bought at the start of the century. Wage earners either had to settle for a lower material standard of living or work longer and harder to maintain real incomes. As the number of poor families rose, most had little choice but to accept the first option and thereby increase their consumption of leisure rather than goods. For the next 50 years it was only when harvests were abundant and food prices low, as in the late 1280s and early 1300s, that real wages registered any improvement. Such gains were invariably wiped out as soon as harvests reverted to or sank below normal, as in the mid-1290s and, most traumatically, during the agrarian crisis of 1315-22.[54]

The over-supply of unskilled labour reinforced by the high cost of capital is reflected in the favourable wage premium commanded by

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S. D. Church, ed., *King John: new interpretations*, Woodbridge, 1999.

[52] Campbell, *English seigniorial agriculture*, pp. 4-6.

[53] Munro, 'Nominal wage stickiness'.

[54] On the agrarian crisis see, I. Kershaw, 'The Great Famine and agrarian crisis in England 1315-22', *Past and Present*, 59 (1973), pp. 3-50 (reprinted as pp. 85-132 in R. H. Hilton, ed., *Peasants, knights and heretics*, Cambridge, 1976); B. A. Hanawalt, *Crime and conflict in English communities 1300-1348*, Cambridge, Mass., 1979; W. C. Jordan, *The Great Famine: northern Europe in the early fourteenth century*, Princeton, 1996; Bailey, 'Peasant welfare'.

skilled workers.[55] Training cost time and money and access to education was restricted. As the population rose and living standards fell, so the unskilled multiplied faster than the skilled. As yet, government made no attempt to promote skill acquisition through the provision of elementary schooling. Nor did it intervene in and regulate the labour market. It took the mass death of workers in the Black Death of 1348-9 to provoke a government of landowners into enacting first the Ordinance (1349) and then the Statute of Labourers (1351), which endeavoured to impose a system of wage restraint by setting rates of remuneration at their pre-plague levels and imposing annual contracts upon workers.[56] Whether pre-plague wage rates represent a genuinely competitive market wage is, however, a matter of debate. Certainly they were not indifferent to supply and demand shocks but nor was their response necessarily proportionate to those shocks. Thus, whereas Clark has recently asserted that by the early fourteenth century wage rates provide a genuine index of the real market price of labour and on that basis can be used to infer trends in the marginal productivity of labour, Munro, more prudently, has emphasised the 'stickiness' of money wages and their sluggishness in responding to changed market conditions.[57] Consequently, price variations and changes in the supply and value of money had a disproportionate impact upon real wages. Few historians versed in the period and its evidence would disagree with Munro's empirically informed but economically unorthodox verdict.

[55] Clark, 'Work, wages and living conditions', pp. 894-6.

[56] R. B. Dobson, ed., *The Peasants' Revolt of 1381*, 2nd edition, London, 1983, pp. 63-72.

[57] Clark, 'Long march of history'; Munro, 'Nominal wage stickiness'.

Land markets

If, as the legal historian Robert Palmer has argued, a genuine market in land had to await the protection of the title to property 'by a bureaucratic authority according to set rules', in England it was a product of the legal reforms of Henry II (1154-89).[58] Creation of the common law, enforced in royal courts by Crown appointed justices, was the essential pre-condition for the growth of a genuine market in freehold land over the course of the thirteenth century. 'Private charters that grant or sell or exchange or quitclaim or lease tiny pieces of land survive in their thousands in the muniment-rooms of estate owners, in local record offices, and in other repositories', thereby bearing material testimony to the rise of that market.[59] Some historians have speculated that this documentation of specific transactions post-dated the appearance of the market itself and was more a function of the proliferation of written documentation that was such a feature of the thirteenth century than of the proliferation of land transactions *per se*.[60] Nevertheless, insofar as a clear, written title to property providing unequivocal legal proof of ownership was a necessary precondition for the development of a land market, it seems reasonable to accept the rising number of private charters as evidence for an increasingly active market in freehold land. That market was lent further momentum by the cheap and effective legal procedures developed by the royal courts for the conveyance of free land. From the 1160s a stream of legal reforms extended the efficiency and scope of the writs necessary to initiate litigation in the royal courts. The cost of the writs required for the defence of freehold tenure also fell

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[58] R. C. Palmer, 'The origins of property in England', *Lae andf History Review*, 3 (1985), p. 7.

[59] P. D. A. Harvey, 'Introduction', in P. D. A. Harvey, ed., *The peasant land market in medieval England*, Oxford, 1984, p. 19.

[60] Harvey, 'Introduction', pp. 19-28; M. T. Clanchy, *From memory to written record: England 1066-1307*, London, 1979.

dramatically, from 10 marks to ½ mark.[61] Only freeholders transacting freehold land could avail themselves of this service, but their numbers were increasing both absolutely and relatively to such an extent that by the opening of the fourteenth century they outnumbered those of servile status.[62]

Over the course of the long thirteenth century land was an appreciating asset; in relatively fixed supply but increasing demand, with the price of its products subject to steady inflation. Freeholders wanted land for the standing it gave them within rural society. More fundamentally, in an age without institutionalised welfare, occupancy of the land was the soundest insurance against risk. It was a source of food, raw materials, and revenue, bestowed common rights, could be sold to realise its capital value, mortgaged as security for credit, or sub-let as a source of revenue. Those with capital to spare who wished to invest in land were most likely to purchase freehold land, not least because, unlike villein land, its ownership conveyed no taint of status. M. A. Barg has demonstrated that much of the freehold land recorded in the 1279 Hundred Rolls was held by gentry, clerics, tradesmen, and craftsmen who then, presumably, leased it out to tenants for the going market rent.[63] This market in leasehold land is less well recorded, either because it was less well developed or, more probably, because surviving sources pay less attention to it. Leasehold tenure was also less secure under the law and those who held at will or for terms of years had no access to the actions specific to freehold tenure. In particular, lessees could find their leases suspended upon the death of the lessor, since the terms of leases

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[61] N. J. T. Poynder, 'The growth and decline of direct demesne management in medieval England', unpublished PhD thesis, The Queen's University of Belfast, 2002, p. 154.

[62] Campbell, 'Agrarian problem'.

[63] M. A. Barg, 'The social structure of manorial freeholders: an analysis of the Hundred Rolls of 1279', *Agricultural History Review*, 39 (1991), pp. 108-15.

were rarely binding upon a lessor's successors.[64] Consequently, lessees were vulnerable to eviction by third parties, against which they had little or no legal redress.

Notwithstanding the legal inferiority of leasehold tenure in the thirteenth century, there were powerful tenurial and economic incentives to the widespread leasing and sub-leasing of freehold land.[65] Where the head rents paid by freehold tenants were fixed and substantially below the prevailing market rent for the land the economic imperative to sublet was powerful. In 1279 John le Squier of Shudy Camp in Cambridgeshire, for example, had seven sub–tenants holding between them one messuage and 6¼ acres.[66] On the lands of one indebted free tenant at Bishops Cleeve in Gloucestershire there were no less than 21 individual sub–tenants.[67] Nor was this something that manorial lords were able or inclined to obstruct. It was a function of the legal security afforded to freehold tenants by the common law and the widening disparity between head rents and potential rack rents. Under these circumstances the temptation to subdivide and sublet must have been almost irresistible and in an age of mounting land hunger even an insecure title to land was better than no title at all. This led inevitably to the proliferation of petty freeholdings many held without a secure written title in return for a full rack rent. Within the area encompassed by the Hundred Rolls, 59 per cent of free holdings were smaller than 6 acres, compared with 36 per cent of villein holdings; and 33 per cent of free holdings were smaller than 1 acre, compared with 22 per cent of villein holdings.[68] As the warden

[64] Poynder, 'Growth and decline', pp. 160-1, 169.
[65] Campbell, 'Agrarian problem'.
[66] J. Kanzaka, 'Villein rents in thirteenth–century England: an analysis of the Hundred Rolls of 1279–80', *Economic History Review*, 2nd series, 55 (2002), pp. 610–12.
[67] C. C. Dyer, *Standards of living in the later Middle Ages: social change in England c.1200-1520*, Cambridge, 1989, p. 120.
[68] Kanzaka, 'Villein rents', p. 599.

and fellows of Merton College Oxford discovered on their manor of Thorncroft in Surrey, whatever influence they may have exercised over their villein holdings did not extend to those held by their free tenants, whose disintegration they were powerless to prevent.[69] Institutional rigidities and inefficiencies in the operation of medieval land markets therefore had particular repercussions for the number, size, and efficiency of land holdings and the terms upon which they were held. The peasant land market did not invariably lead to optimal economic outcomes.

The same, to a less extreme degree, applied to the market in customary (villein) land, which sprang up on many manors in the wake of the market in freehold land.[70] Sales and leases of villein land between servile tenants lay outside the purview of the royal courts and were subject instead to the jurisdiction of manorial courts. Although some lords, such as the abbots of Glastonbury, set themselves firmly against anything which threatened the integrity of villein holdings and thereby compromised the apportioning and levying of rent, most condoned both the selling and leasing of villein land, provided that sales and leases for more than 5 years were registered in the manor court and a fine paid. Custom, however, varied a great deal even between manors on the same estate.[71] Even when selling and leasing were allowed, the higher rents paid for villein land meant that it was less prone than freehold land to extreme subdivision and subletting.

Where manorial court rolls survive the market in villein (customary) land is even more visible than the market in freehold land due to the

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[69] R. Evans, ‘Merton College’s control of its tenants at Thorncroft, 1270–1349’, in Razi and Smith, eds., *Medieval society*, pp. 236–7.

[70] P. R. Hyams, 'The origins of a peasant land market in England'. *Economic History Review*, 2nd series, 23 (1970), pp. 18-31; P. D. A. Harvey, 'The peasant land market in medieval England - and beyond’, pp. 392-407 in Razi and Smith, eds., *Medieval society*.

[71] M. Page, 'The peasant land market on the estate of the bishopric of Winchester before the Black Death', pp. 61-80 in Britnell, ed., *Winchester pipe rolls*.

insistence by lords that a written record was made of all such transactions. Again, the pipe rolls of the bishops of Winchester provide the earliest documentary evidence of this market and it is not until the 1240s that corresponding evidence begins to become available for other estates.[72] Strikingly, these *inter vivos* transactions in villein land employ the language and conventions of the royal courts. Thus, the seller typically 'surrendered' the land to the lord who 're-granted' it to the purchaser in return for a licence fee.[73] Only rarely was the sum actually paid for the land recorded. From this evidence it is possible to measure the size and frequency of transactions, the annual turnover of land on individual manors, and to identify which individuals were most actively disposing of or acquiring land.[74] On those East Anglian manors where the market appears to have operated with fewest constraints, alongside an equally active market in freehold land with often much crossover between them, it often became the case by the early fourteenth century that more land changed hands on the land market than via inheritance. Indeed, given that land could not be bequeathed by will, many tenants undoubtedly used the land market to circumvent the rigid rules of customary inheritance.

These manorial land markets were naturally circumscribed in their operation and localised in their effects, nevertheless, their legal maturity is reflected in the efforts made to accord villein tenants the same rights extended by the royal courts to freeholders. By the beginning of the fourteenth century, in addition to the rights of surrender and admittance,

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[72] K. Stocks, 'Payments to manorial courts in the early Winchester Accounts', pp. 45-59 in Britnell, ed., *Winchester pipe rolls*; Z. Razi and R. M. Smith, 'The origins of the English manorial court rolls as a written record: a puzzle', pp. 36-68 in Razi and Smith, eds., *Medieval society*, pp. 38-42.

[73] Razi and Smith, 'Origins of the English manorial court rolls', pp. 50-6.

[74] E.g. B. M. S. Campbell, 'Population pressure, inheritance and the land market in a fourteenth-century peasant community', in R. M. Smith, ed., *Land, kinship and life-cycle*, Cambridge, 1984, pp. 87-134.

tenants on manors in the vanguard of these developments could claim and exercise the rights of entail and jointure. Entail ensured that the wishes of the original possessor of the land were respected; jointure recognised the proprietary rights of women in land jointly held with their husbands. Thus, at Coltishall in Norfolk, at the court of the manor of Hakeford Hall held on 25th November 1317, Agnes of Holme conveyed 6½ rods of customary land to Robert of Dokingges, her husband to be, with reversion to Agnes if Robert pre-deceased her and the marriage was childless.[75] Likewise, on the same manor in the same year, when William Snoudoun sold without the consent of his wife Agnes ½ acre of customary land held by them in jointure, she sued and received 3s. 4d. in compensation.[76] As these two cases from the same minor manor illustrate, women by this date enjoyed clearly defined property rights in land and were far from backward in asserting those rights. Already, well run courts required the formal examination of married women when they disposed of property with their spouse, lest they make a subsequent claim over the land in their own right.

How these active local land markets were financed is rarely explicitly recorded. At Coltishall, in fertile and densely populated east Norfolk, the purchase price of even an acre of land could cost the equivalent of half a year's earnings from labouring. Many tenants can only have raised such substantial sums by selling grain and livestock but, to judge from the numbers of debt cases recorded in the court rolls, many must also have contracted loans in order to finance these land purchases.[77] In this respect, a rural credit market was a *sine qua non* of

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[75] King's College Cambridge, E32.

[76] King's College Cambridge, E32.

[77] P. R. Schofield, 'Access to credit in the medieval English countryside', and C. Briggs, 'Creditors and debtors at Oakington, Cottenham and Dry Drayton (Cambridgeshire), 1291-1350', pp. 106-26 and 127-48 in P. R. Schofield and N. J. Mayhew, eds., *Credit and debt in medieval England, c.1180-1350*, Oxford, 2002.

an active land market. The extent to which the peasant land market was underpinned by credit has been demonstrated for the Suffolk manor of Hinderclay by Phillipp Schofield.[78] Here, the coincidence of taxation and bad harvests in the 1290s led to the withdrawal of credit by the better off tenants, leaving those who could not repay their debts little option but to sell land. At Hinderclay, as on a number of other East Anglian manors that have been studied, a close correlation existed between harvests, prices, and the activity of the land market.[79] This highlights both the harvest-sensitive nature of rural society in this most crowded and congested part of England and the role played by the land market as a buffer against hard times.[80] As a last resort, tenants could raise the cash needed to survive by selling off tiny parcels of land, in the hope of recouping those losses when better times came. Progressively, however, this tended to promote the fragmentation of both holdings and plots, thereby exacerbating an already bad economic situation. It required a shock of the magnitude of the Black Death to set in train the processes that would eventually reverse this trend.[81]

As the activity of the peasant land market illustrates, once property rights in land had been created independent of personal relationships land became an economic resource that could be alienated and manipulated. In particular, it became more liquid and could be used as a security for loans. In Robert Palmer's view, the economic consequences

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[78] P. R. Schofield, 'Dearth, debt and the local land market in a late thirteenth-century village community'. *Agricultural History Review*, 45 (1997), pp. 1-17.

[79] W. Hudson, 'The prior of Norwich's manor of Hindolveston: its early organisation and the right of the customary tenants to alienate their strips of land', *Norfolk Archaeology*, 20 (1919-20), pp. 179-84; Campbell, 'Population pressure'; Schofield, 'Dearth'.

[80] C. T. Bekar and C. G. Reed, 'Open fields, risk, and land divisibility', *Explorations in Economic History*, 40 (2003), 308-25.

[81] B. M. S. Campbell, 'The extent and layout of commonfields in eastern Norfolk', *Norfolk Archaeology*, 38 (1981), pp. 5-32; Campbell, 'Population pressure'; Whittle, *Development of agrarian capitalism*.

of this development were profound since liberation of the stored capital value of land stoked inflation.[82] Palmer dates the creation of a legal system and generation of a law of property to the period between 1176 and 1215. Over the same period prices, on average, doubled and thereafter continued to rise steadily to a peak in the second decade of the fourteenth century.[83] If Palmer's diagnosis is correct there could be no more telling symptom of the advent in England at the close of the twelfth century of a genuine factor market in land, nor of the growth in the activity of that market during the hundred years.

Capital markets

During the thirteenth century England's capital stock progressively rose. According to the latest estimates by Martin Allen, the amount of silver coin in circulation grew at least eight-fold in value between 1180 and 1290 largely due to a net inflow of bullion from overseas trade.[84] Under the careful supervision of the Crown, which maintained a monopoly of minting, the economy became more monetised and confidence grew in the soundness of the currency. The country's substantial population of domesticated animals also constituted a significant capital resource. Medieval England was relatively livestock rich and over the course of the thirteenth century considerable effort was invested in the extension and improvement of pastures and meadows and build up of increasingly specialised flocks and herds.[85] The same period also witnessed much investment in barns and byres, mills,

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[82] Palmer, 'Origins of property', p. 249; R. C. Palmer, 'The economic and cultural impact of the origins of property: 1180-1220'. *Law and History Review*, 3 (1985), pp. 375-96.

[83] Farmer, 'Prices and wages'; Latimer, 'Early thirteenth-century prices'.

[84] Allen, 'Volume of the English currency'.

vehicles and bridges, boats and ships, and warehouses and wharves.[86] By 1290 England was markedly richer in fixed and working capital than it had been in 1180. This was an impressive achievement, for on the evidence so far assembled, capital in England until the mid fourteenth century was expensive.

Clark has used the evidence of rent charges to chart English interest rates between 1170 and 1914. Between 1170 and 1300 these were invariably 9 per cent or higher and for virtually the whole of the 'prosperous' thirteenth century they fluctuated between 10 and 12 per cent. Epstein has reconstructed equivalent chronologies for a range of European countries. On his figures, capital was marginally cheaper in England than Poland and east Germany by 1300, and cheaper in London than England as a whole, but dearer than in Flanders or Switzerland and west Germany.[87] From interest rates on public debt, Epstein is also able to show that at the turn of the thirteenth and fourteenth centuries the Italian republics probably enjoyed the lowest interest rates in Europe.[88] Not surprisingly, therefore, when Edward I (1272-1307) and Edward III (1327-1377) wanted large loans to finance their ambitious and expensive military campaigns, it was to Italian merchant bankers that they turned.[89]

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[85] Campbell, *English seigniorial agriculture.*

[86] N. Brady, 'The gothic barn of England: icon of prestige and authority', pp. 76-105 in E. Smith and M. Wolfe, eds., *Technology and resource use in medieval Europe: cathedrals, mills and mines*, Aldershot, 1997; R. Holt, *The mills of medieval England*, Oxford, 1988; J. L. Langdon, *Mills in the medieval economy: England 1300-1540*, Oxford, 2004; J. L. Langdon, *Horses, oxen and technological innovation: the use of draught animals in English farming from 1066-1500*, Cambridge, 1986; D. Harrison, *The bridges of medieval England: transport and society 400-1800*, Oxford, 2004; I. Friel, *The good ship: ships, shipbuilding and technology in England 1200-1520*, London, 1995.

[87] Epstein, *Freedom and growth*, p. 62.

[88] Epstein, *Freedom and growth*, pp. 20-3.

[89] M. Prestwich, *The three Edwards: war and the state in England 1272-1377*, London, 1980, pp. 33, 85, 106, 217, 223,

Before the advent of the Italian bankers English kings borrowed on a massive scale from the Jewish money lenders who, from the time of Henry I (1100-1135) until their expulsion by Edward I in 1290, enjoyed the Crown's protection. In the twelfth century Jews had been attracted to England by the opportunities for bullion dealing, moneychanging, and moneylending but in the thirteenth century they became much more exclusively dependent upon moneylending and for the first half of that century enjoyed a virtual monopoly. They employed a system pioneered by Christian financiers of moneylending by bonds against gages (pledges).[90] In fact, from the 1190s the Jewish exchequer provided a reliable mechanism for registering bonds and collecting debts, which until the Statute of Acton Burnell in 1283 gave them a legal advantage over their Christian counterparts. Throughout this long period of economic expansion the English Jewry therefore performed a key financial role and dominated the English credit market. 'Nowhere else in northern Europe was there a Jewish community with so much wealth *per capita*, or one so completely dependent upon moneylending, as were the Jews of England in the century or so prior to 1275'.[91] In the 1240s, when detailed records survive of their assets (including loans), Stacey estimates that the English Jewish community as a whole was owed between £76,500 and £79,000 on its unpaid bonds, exclusive of any interest charges, equivalent to almost a fifth of the total circulating coin in England at that time.[92] Although these Jewish moneylenders advanced many small loans to peasants and townsmen, the great bulk of their capital was committed to

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[90] R. C. Stacey, 'Jewish lending and the medieval English economy', pp. 78-101 in Britnell and Campbell, eds., *Commercialising economy*, p. 89. See also, R. R. Mundill, 'Christian and Jewish lending patterns and financial dealings during the twelfth and thirteenth centuries', pp. 42-67 in Schofield and Mayhew, eds., *Credit and debt.*

[91] Stacey, 'Jewish lending', p. 93.

[92] Stacey, 'Jewish lending', p. 94.

loans of at least £10 made to country knights, great men, and major monasteries.

From the 1260s, for mainly political reasons, Jewish moneylenders found their activities increasingly restricted and curtailed and their capital assets seriously depleted by royal taxation. They also suffered from the Anti-Semitism that was a growing phenomenon throughout Europe but which became particularly acute in England. In the final years before their expulsion in 1290 their loans were mostly small-scale, short-term, and rural, i.e. they became pawnbrokers and suppliers of capital to the peasantry. It was as their fortunes waned that those of the Italians and other Christian financiers rose. Since it was land that was offered as the most usual security for loans, the latter had a far stronger vested interest than the Jews in foreclosing on debts in order to acquire landed property. This may help to explain why the land market appears to have increased in activity during the final decades of the thirteenth century as Christians became more actively involved in the credit market.

The scale of that credit market following the Statute of Acton Burnell, which placed Christian lenders on a par with Jewish lenders, can be estimated from the certificates of debt registered under the 1285 Statute of Merchants. Between 1290 and 1309 the annual total of registered certificates ranged between 167 and 864, with a total value of £3,000 to £27,000.[93] Although the average value of debt was an impressive £17 in 1284-9, and thereafter became progressively higher still, large numbers of relatively modest debts were registered, sufficient to cover the purchase price of several acres of average quality land such as many a peasant must have contracted. Indeed, the creditors and debtors include representatives from most of the principal walks of life – rural and urban, lay and ecclesiastical, and low born and high born.

[93] P. Nightingale, 'The lay subsidies and the distribution of wealth in medieval England, 1275-1334', *Economic History Review*, 2nd series, 57 (2004), p. 15.

Whether the certificates are truly representative of all the relevant debts contracted in the kingdom is a moot point, but if they are Pamela Nightingale reckons that they represent an average unpaid debt of at least £10,000 per year.[94] If a fifth of all contracted debts remained unpaid, this represents credit with a total value of £50,000, at a time when the total taxable wealth of the nation, both lay and ecclesiastical, was approximately £1.9 million. Significantly, as the nation's taxable wealth waned from its medieval peak in 1290-1, so the size of its debt grew, to as much as £150,000 in some years.[95] In all probability, these are minimum estimates of the value of credit. Given the high rate of interest, most loans were given short term, for months rather than years.

Kings taxed and borrowed on a massive scale in order to wage war. Their principal subjects borrowed in order to pay taxes, build, and finance a lifestyle of largess and conspicuous consumption. Additionally, those directly involved in agricultural production needed credit to help bridge the inevitable lags between sowing and harvesting, rearing and shearing, breeding and culling. They bought – land, livestock, seed, implements, buildings – on credit, which they then counted upon their harvests of wool and grain to repay. At greater risk, they borrowed to expand their operations against the security of their land and livestock.[96] Many monastic houses, in particular, got themselves into serious financial difficulties by making bulk wool sales in advance to Italian merchants, which they were then unable to deliver.[97] Their difficulties echoed those of the many small peasants whose precarious credit arrangements were undone by the recurrent harvest failures that punctuated the first half of

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[94] Nightingale, 'Lay subsidies', p. 15.

[95] S. Jenks, 'The lay subsidies and the state of the English economy, 1275-1334', *Vierteljahrschrift für Sozial- und Wirtschaftsgeschichte*, 85 (1998), pp. 1-39; Nightingale, 'Lay subsidies', p. 12, 15.

[96] Schofield and Mayhew, eds., *Credit and debt*.

the fourteenth century, commencing in the 1290s.[98] The more commercialised the economy became, the more dependent it undoubtedly became upon credit.

Those with credit to advance were professional moneylenders, traders and townsmen, and those, notably country rectors, whose incomes greatly exceeded their household expenditure. Pleas of debt in manorial courts, borough courts, county courts, and royal courts highlight the scale and extent of these credit operations and who was engaged in them. Nevertheless, although credit may have been all-pervasive, at least in the most populous and commercialised parts of the country in the south and east, the capital market was not as yet strongly centralised. Analysis of debt litigation as recorded in the Court of Common Pleas during the Michaelmas Term 1329 demonstrates that London may have been the nation's single greatest source of credit but its lending activities remained largely confined to proximate counties in the south and east.[99] It was over the next hundred years that the credit operations of Londoners were progressively extended to the limits of the realm so that by 1424 London had become, what it has ever since remained, the capital of the English capital market.[100]

London's rise as the chief supplier of capital to the country at large coincided with the dramatic and lasting fall in English and European interest rates charted by both Clark and Epstein.[101] In large part, this appears to have been a windfall gain from the massive culling of population in the four successive plague epidemics of 1348-9, 1361, 1369 and 1375, which reduced England's population by approximately

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[97] Lloyd, *English wool trade*, pp. 289-95.
[98] Schofield, 'Dearth'.
[99] Centre for Metropolitan History, 'Metropolitan market networks c.1300-1600', *Annual Report 1999-2000*, London, 2000, pp. 5-9.
[100] Keene, 'Changes in London's economic hinterland'.

half within the space of a generation, killing humans but not coins. Consequently, as Epstein points out, 'By the second half of the fifteenth century, Europeans were enjoying a huge "free lunch" consisting of a more than doubling in the amount of capital available per person'.[102] By implication, the far higher rates of interest prevailing before the Black Death together with the more determined and effective opposition of the Church to usury, inhibited the growth and integration of the capital market and ensured that 'outsiders' played a disproportionate role in it.

English factor markets before 1348-9 – some general observations

There is no reason to suppose that the factor markets in labour, land, and capital that evolved in England between the mid twelfth and the mid fourteenth centuries were particularly advanced by the standards of the most developed European economies of the day. On the contrary, if interest rates provide a crude index of economic efficiency, English factor markets were significantly less mature than those operating in Italy.[103] Hence the migration of Italian capital to exploit the superior interest rates prevailing in England. The important point, as far as England's medieval and later commercial development is concerned, is that by 1348-9 all three factor markets were firmly established and had long been in operation. An infrastructure of knowledge, practice, rules, and legal procedures had been put in place. In these respects, the evolution of factor markets was an integral component of the general process of commercialisation which was such a striking feature of the twelfth and

[101] Clark, 'Cost of capital'; Epstein, *Freedom and growth*, p. 62.
[102] Epstein, *Freedom and growth*, p. 61.
[103] Epstein, *Freedom and growth*, pp. 20-3.

thirteenth centuries and about which so much of late has been written.[104] What is surprising is not that these factor markets were so well developed but that their importance has been so little recognised by historians and the subject, therefore, of such limited systematic attention. Yet their contribution to the economic achievements of the age was tangible.

As has been outlined in this paper, a market in labour emerged relatively early, both in the countryside and in towns. Establishment of a genuine market in land had to await those legal developments which divorced property from personal relationships and thereby created both a private title to land which could be bought and sold and the legal means and safeguards for effecting such transactions. From the late twelfth century these developments stimulated a market in freehold land and the growth of a manorial market in villein land soon followed. Fuller development of formal leasehold tenures was, however, inhibited by the inadequate legal protection afforded to lessees. Consequently, leasing rather than leasehold tenures developed during the thirteenth century and remained essentially informal and insecure. Once a land market had come into being it became possible for property owners to use their land as a security against loans. This had two important economic effects. First, it stoked inflation and helped make land an appreciating asset. Second, it fed the growth of a capital market. Although credit and moneylending had prevailed in England long before the legal innovations which between 1179 and 1220 created the common law of property, it was only in the wake of those legal developments that they grew to significant proportions and became indispensable components of most aspects of economic life.

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[104] Britnell, *Commercialisation*; Miller and Hatcher, *Medieval England*; Britnell and Campbell, eds., *Commercialising economy*; Campbell and others, *Medieval capital*; P. R. Schofield, *Peasant and community in medieval England, 1200-1500*, Basingstoke, 2003, pp. 131-56.

Like the contemporary markets in commodities, which they underpinned, the activity of all three of these factor markets varied over time and operated at a range of scales. In the main, however, labour, land, and credit were mostly bought and sold locally between individuals who were personally acquainted with each other, since trust was an important ingredient of transactions in land and especially capital. To speak of national or even regional markets in labour, land, and capital is therefore premature and it would be some centuries before these began to emerge. Even on the eve of the Black Death the evolution of these markets was geographically uneven, having proceeded further on some manors and in certain parts of the country than in others. The economy's quickening commercial pulse did not beat everywhere with equal force, and it should be noted that most of the examples given in this paper are drawn from the south and east rather than the north and west.

Part of the problem was that none of these factor markets operated free of institutional constraints. Money wages were strongly influenced by custom and therefore failed to respond fully and immediately to changes in market conditions. Serfdom handicapped full participation in the labour market by almost half the population. Villein tenures excluded almost half of all land from jurisdiction of the royal courts. Leasehold tenures lacked adequate legal protection. Until 1273 Jewish and Christian moneylenders enjoyed unequal access to the legal enforcement of debts and Christians were liable to prosecution under canon law if they attempted to make an explicit interest charge on loans. Not until the fourteenth and fifteenth centuries did these constraints significantly loosen, with the accelerating decay of serfdom, the progressive divorce of status from tenure thereby facilitating the acquisition of customary land by freemen and townsmen with capital to invest, the decay of manorial custom as it applied to the *inter vivos* and *post mortem* transfer of land, the belated reform of property law as it pertained to leasehold, and the subtle but nonetheless real reform of canon law and progressive refinement of credit procedures.

As a direct result of the massive demographic haemorrhage precipitated by the Black Death, labour alone became subject to tighter control. In 1349 the Ordinance of Labourers (confirmed as the Statute of Labourers in 1351) introduced an era of formal wage restraint. This reinforced the inherent 'stickiness' of money wages and laid the foundation for a code of employment enforcement that would last until the eighteenth century.[105] As a direct result the freedom of wage earners to enter and leave employment was curtailed. The unpopularity of that labour legislation was one of the prime causes of the Peasants' Revolt of 1381, in which the justices who enforced the statute were often singled out as targets for rough treatment and worse.[106] Paradoxically, this meant that the labour market was far freer in its operation during the century before than the century after the Black Death. At the very time when one institutional constraint – serfdom – was dwindling in importance, a new institutional constraint was imposed.

The Ordinance and Statute of Labourers highlight the lack of any official consciousness of the desirability of ridding these markets of the institutional inefficiencies which hampered and distorted their operation. Except at times of acute crisis, such as 1349 and 1381, medieval kings and their governments seem to have been as oblivious of the economic importance of these factor markets as most modern medieval historians. Thus, notwithstanding the profound long-term economic implications of Henry II's legal reforms, they did not derive from any consciousness on Henry's part of the economic dividends to be reaped from a clearer

[105] Whittle, *Development of agrarian capitalism*, pp. 275-301.

[106] A. Harding, 'The revolt against the justices', pp. 165-93 in R. H. Hilton and T. H. Aston, eds., *The English rising of 1381*, Cambridge, 1984, pp. 184-7. Dobson, *Peasants' Revolt.*

definition of property rights. With more economic foresight, he and his justices might have been less assiduous in defending the rights of freeholders and effectively freezing their rents at customary levels, for this created the tenurial preconditions for the progressive subdivision and subletting of land which a century later would prove so baleful in its effects.[107] In removing one institutional barrier another had been created which, once enshrined in the law, proved particularly difficult to remove. England's early evolution of factor markets during the two centuries preceding the Black Death was therefore a mixed blessing. On one hand, it undoubtedly helped create a more dynamic economy, more open to change, and better able to reallocate and redeploy its resources of land, labour, and capital, thereby preparing the way for England's eventual economic relocation from the periphery to the core. Yet, on the other, it bequeathed a legacy of legal, tenurial, and institutional complexities which ensured that the operation of these factor markets long remained economically sub-optimal. When and how and with what outcomes these various obstacles were removed are central to the story of English factor markets following the Black Death.

[107] Campbell, 'Agrarian problem'.

Factor markets in England before the Black Death: presentation

1. Peripheral and underdeveloped England:
    - England's perceived peripherality as portrayed by *Mappa mundi*.
    - The composition of overseas trade reveals that England's international comparative advantage lay in the land-extensive production of hides, skins, fells, and wool and the extraction of scarce metals – lead and tin. In return, it was a net importer of manufactured goods.
    - According to Larry Epstein, English GNP per capita was barely half that of Tuscany c.1470 and was undoubtedly well below that of Italy c.1300, when the latter was the hub of the European economy (itself one of 8 inter-linked circuits which, according to Janet Abu-Lughod constituted the late 13th century world economy).
    - England nevertheless lay at the north-western extremity of that world economy. It was peripheral, it was pastoral, and by international standards it was poor.

2. Commercialising England:
    - The late 13th-century world economy was the product of pan EurAsian processes of commercialisation, which affected England no less than other countries.
    - Recent accounts of this process of commercialisation stress 6 key elements;

      i) Extension and elaboration of an infra-structure of trading institutions – markets, fairs, and boroughs.

ii) The creation of rules, rights, and regulations that defined property rights and facilitated the resolution of commercial disputes.

iii) Maintenance by the Crown of a sound coinage and a sustained increase in its per capita supply.

iv) Investment in bridges, wheeled transport, and horse-hauling, plus wharves, boats and ships, and sail power.

v) A growth in the range, volume, and value of the commodities traded both internally and externally.

vi) A growing dependence by all socio-economic groups upon commercial exchange to meet a growing proportion of their subsistence needs.

- The period of most active commercialisation is generally dated to the 50-year period c.1175-c.1225. These years witnessed the most pronounced proliferation of markets, fairs, boroughs, and monastic houses. Real wage rates imply that the demand for labour was strong and marginal labour productivity was high.

3. Factor markets:

A) Labour

- There is abundant evidence from the late 11th century of the hiring of labour for wages.
- From 1208-9 it is possible to reconstruct wage series for building craftsmen and labourers and a range of agricultural tasks.
- Within the countryside the seigniorial sector was the biggest employer of waged labour since the supply of servile labour services was never adequate to the labour requirements of seigniorial production.

- Money wages were characterised by ‘wage stickiness’ for long periods of time, indicating that they were determined more by custom than by market competition. As yet, however, there was no formal regulation of wages.
- Real wages declined from the 1250s, due to increasing competition for employment and a growing over-supply of labour. Due to the stickiness of wage rates, variations in real wages were largely a function of variations in prices.

B) Land

- From the 1160s Henry II initiated a series of legal reforms which separated ownership rights in land from personal obligation and created the legal mechanisms for the emergence of a market in land.
- Over the course of the 13th century charters, chartularies, and feet of fines document the growth of a market in freehold land. The growth of a manorial market in villein land soon followed.
- Throughout this period the legal security of leasehold remained inferior to that of freehold, hence the growth of a formal market in leasehold remained limited. Nevertheless, there was a great deal of informal and often illicit sub-letting.

C) Capital

- A limited capital market had operated in the 12th century, when Jewish moneylenders first established themselves in England under Crown protection.
- Creation of legal property rights in land at the end of the 12th century meant that it became possible for the first time to use land as a security for contracting loans. This liberated the

stored capital value of land and between 1180 and 1220 stoked inflation.

- Outsiders – Jews and Italians – remained the principal sources of credit (apart from the small scale and short term credit that pervaded the countryside).
- Over the course of the 13th century London began to emerge as the leading English centre of credit, although analysis of debts contracted in the capital reveals that the London capital market was not yet national in scope.

4. Constraints upon the full and efficient operation of factor markets:

   None of these factor markets operated free of major constraints:

   - Serfdom segregated the labour market and prevented free and full participation in the labour market by half the population.
   - Villeinage meant that half of all tenanted land carried the taint of servile status and was subject to manorial custom and seigniorial jurisdiction.
   - Lessees did not enjoy full protection of their leasehold interests, thereby inhibiting the development of a market in leasehold property.
   - Until 1283 the legal rights of Christian creditors to recover debts were inferior to those of Jews.
   - Capital was expensive and the charging of interest per se was outlawed by canon law.

   The coexistence of serfdom and villeinage resulted in segregated labour and land markets and placed constraints upon the mobility of labour and land. Consequently, land, labour, and capital markets remained highly localised in character and national and international patterns of circulation remained weakly developed.

5. Over the course of the 14th century the operation and scale of activity of all three factor markets, as they had evolved over the previous century and more, underwent a profound transformation:

- Interest rates were halved, from 10-12% to 5-6%, so that the cost of capital fell.
- The number of recorded debt cases grew significantly and a growing proportion of those debts were registered in London, which emerged as a national source of capital.
- The per capita supply of land doubled.
- Stimulated by an increased supply of land and credit, the turnover of the land market rose significantly and the units of land being transacted increased in size.
- From the 1360s a succession of legal reforms gave increased security to leaseholders, thereby encouraging the growth of leasehold tenure and the conversion of much demesne land to leasehold.
- Serfdom decayed and labour services were increasingly replaced with hired labour.
- Land held by villein tenure gradually ceased to carry the taint of servile status.
- Statutory controls were imposed upon wage rates and terms of employment, thereby reinforcing wage stickiness and restricting the mobility of labour.