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THE SOCIO-ECONOMIC LANDSCAPE OF
18TH CENTURY URBAN HOLLAND

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The rich literature on the many pre-industrial cities of the Netherlands has generated what we might call the classic categories of social stratification. In this scheme, the lowest rung of the social ladder is occupied by an anonymous underclass - contemporaries called it **het grauw** - of vagabonds, beggars, paupers and others without steady work and often enough even with no fixed address. These people come to our attention chiefly via the records of the law courts.

Just above this desperate social cellar, but often barely above, one finds the mass of market sellers, street peddlers and hawkers. This miscellaneous army of petty traders sold fish, wood, fruit, vegetables, peat, flowers, sand, secondhand wares and much more. Most were as poor as church mice, borrowing each morning a wheelbarrow and a guilder's worth of goods in the hope that enough could be sold to leave something over at the end of the day, when the barrow and the guilder had to be returned - plus a stuiver or two of interest. Not all of these peddlers were wholly without means, of course. But most lived from day to day, sharing their lowly station with the unskilled and unregulated mass of porters, haulers, and other casual day laborers. All of these persons together formed the lowest social category, a group representing from 10 to 20 percent of the urban labor force, although this figure could vary from place to place and with the tides of fortune.

And above this unskilled and insecure mass we find domestic servants, sailors, soldiers, and numerous unskilled and semiskilled wage workers. This group was certainly the largest in the lower half of urban society, consisting especially of many workers in the textile trades. But each city seems to have had its own characteristic specialty, such as the pipe makers' assistants of Gouda, the distillery workers of Schiedam, the shipbuilding assistants of Amsterdam, and so on.

All that distinguished this group from the one just below it was a somewhat greater permanence of employment, but it took very little to slip into the desperate lower

circle: the ebbing of the business cycle, a war year temporarily bringing trade to a halt, but also a persisting bout of illness or an accident bringing physical disability. Besides these personal or transitory phenomena, structural factors could also press members of this broad working class category down into the misery of lowest social class. This occurred to large numbers in the late eighteenth century when the steady rise of food prices systematically undermined purchasing power. In the first half of the seventeenth century rising, prices had also eroded purchasing power at intervals. But in this economically expansive period unemployment was not the ubiquitous affliction that it would later become. Before 1660, it was less the level of the wage than the incidence of unemployment that pushed families into poverty and dependence. When after 1750, and especially after 1780, falling real wages went hand in hand with wide-spread unemployment, the condition of the urban proletariat spiraled downward, reaching a nadir during the first decade of the nineteenth century when both industry and foreign trade came to a virtual standstill.

With little quantitative information to measure their size and a porous boundary separating the two groups, much must remain vague about these lower rungs of the urban social ladder. Together they will have claimed close to half of the urban population, and in the long era of wage stability that set in by 1650 the incomes of adult males residing in the cities of the western provinces probably averaged something under 250 guilders per year. Average family incomes could then have stood a bit above 300 guilders.

Above these two lowest socio-economic groups we find what the Dutch called the **burgerij**, a term that corresponds roughly with the usage given to the term 'middle class'. It is a broad category intended to bring under its umbrella everyone capable of maintaining certain standards of respectability which, in turn, permit participation in the civic culture that sustained the political nation. Only a small top layer of urban society actually exercised political power, but this small 'political nation' needed to be responsive to the sentiments that lived among the **burgerij**. Contemporaries often referred to this broad burger category as the **goede gemeente** and referred to the lower groups described earlier as the **schamele gemeente**.

Just as 'middle class' is far too expansive a concept to be used without introducing subdivision, so the **burgerij** tended to be divided into lower, broad middle, and upper sub-groups. Ordinary self employed craftsmen and shopkeepers with a modest turnover formed the most important elements of the lowest level of the burgers. They were joined by the better sort of personnel in shops and businesses as well as by the lowest ranks of public office holders, such as weighhouse porters, lift bridge operators, harbor functionaries, etc. The small self-employed persons and the salaried employees outside the public sector stood at the very cusp of the **burgerij**, always in

danger of sliding down the slope into the ranks of the lower orders. An untimely death of the breadwinner, extended illness, intemperance - indeed, any numbers of vices or misfortunes - sufficed to bring social degradation to the many families, perhaps a quarter of the urban total, with annual incomes between 350 and 500 guilders.

Just above this group, but sharing the designation of **smalle burgerij** (burgers of slim means), we find households earning between 500 and 600 guilders annually. This included a small number of (well-educated) public sector employees such as bookkeepers, clerks, schoolmasters, supervisors and inspectors, and a larger number from the private sector, including publicans, the operators of simple inns, and the run of bakers, smiths, butchers, inland shippers, shoemakers, tailors, plumbers, coopers, corset makers, glaziers, broom makers. This group was also populated by specialized shopkeepers of all sorts, such as dealers in bedding and linens, cheese, cotton goods, coffee and tea, stockings, ribbons, tobacco, and rope. The operators of coaches for hire, undertakers, obstetricians, certain surgeons, teamsters and the less prosperous apothecaries also belonged to this group. All in all they numbered some ten percent of the urban labor force.

The leaves no more than about twenty percent of urban households to account for: the upper reaches of the income pyramid, with incomes in excess of 600 guilders per year. the recipients of annual incomes between 600 and 1000 guilders consisted first of all of the more successful craftsmen, tradesmen, and retailers whose poorer colleagues populated the 500 to 600 guilder category. Many bakers, apothecaries, book sellers, surgeons, grocers, innkeepers, brokers, wig makers, shippers, smiths, carpenters, gold and silver smiths, and the better sort of mercers managed to elevate themselves to this income level. Here we also encounter military officers of the lower ranks and a good number of wine merchants, butchers, and notaries. Senior clerks, bookkeepers and other municipal officials as well as wholesalers, lesser merchants and modest rentiers also possessed annual incomes between 600 and 1000 guilders. Characteristic of this income class, comprising some 12 to 14 percent of the urban households, was the presence of a certain accumulation of capital. This typically took the form of an inventory of merchandise or raw materials. But house ownership and a cash reserve are also commonly encountered.

This leaves 6 to 8 percent of the urban households who controlled all incomes in excess of 1000 guilders per year. This was the **grote burgerij** from which the political and commercial leadership of the country was drawn. Here we find, first and foremost, the merchants and (in the eighteenth century) most of the rentiers. They were joined by much of the Protestant clergy and the liberal professions, including medical doctors, notaries, solicitors and some of the barristers. Here, too, we find industrialists and

entrepreneurs, such as the brewers, soap refiners, distillers, and groats grinders. Finally, of course, this upper group included the senior ranks of the officer corps and high government officials, such as the clerks of court (**griffiers**), municipal secretaries, sheriffs, commissioners, *pondgaarders*, and many more. At the very top of this pyramid, forming a charmed circle within the income elite, was the governing patriciate itself: the burgemeesters, town council members (**vroedschap**), judicial officers (**schepenen**), and counsellors. But individuals moved regularly between these governing positions (with their high salaries and honoraria) and the other high offices. Thus, the lifestyles of nearly all the members of the **hoge burgerij** were broadly similar. An exception must be made only for the very rich (with incomes above 5000 guilders per year). Among them we are more likely to find owners of horses and carriages, pleasure yachts, country homes, art collections, and exotic porcelain.

We can recapitulate the preceding reconnaissance of the socio-economic landscape of urban Holland with the hypothetical division of the lower 80 percent of household incomes presented in Table 1. We make the assumption that an annual incomes of 200 guilders formed a practical lower limit to household incomes, i.e., that a family unit could not be maintained in Holland's cities with less than this amount. Given the pyramidal structure of incomes (then as now), we have set the average income for each income category except the lowest somewhat below the arithmetic average. This hypothetical model of Holland's urban incomes is based on the stable structure of wages and salaries prevailing in the long period from before 1650 to after 1800, and yields an average income for the bottom 80 percent of households of 362 guilders per year.

For the remaining 20 percent of the urban population I am in a position to offer a better informed description, one based on an income tax levied on nearly all households in Holland with incomes of at least 600 guilders. Introduced in 1742 this **Personeele Quotisatie** was soon withdrawn, but not before the provincial government had drawn detailed lists of taxable individuals, their incomes and their occupations. The lists for 16 cities have survived. For ease of analysis I have grouped them into four categories: Amsterdam; four large cities (Haarlem, Leiden, The Hague, Rotterdam); five middle sized ones (Delft, Dordrecht, Enkhuizen, Gouda, Hoorn); and six small cities (Gorinchem, Medemblik, Monnikendam, Purmerend, Schiedam, Schoonhoven). Of Holland's 18 voting cities we lack data for only three (Alkmaar, Edam and Den Briel). The data for the 16 available cities allow us to estimate the nature of this missing information.

This source does possess other shortcomings, however. To begin with, the law exempted from taxation all foreigners, the **salaries** of professors, clergymen, and most high military officers, and the incomes of all craft journeymen (as distinct from

masters). The professors, clergymen and officers were only taxed on their nonsalary incomes, an obvious understatement of income, but one, given their finite number, that can be compensated for. The exception for journeymen need not detain us since very few of them will have enjoyed incomes that passed the 600 guilder threshold. Exempting them was simply a matter of expediency. Finally, there is the problem of a more general, systematic understatement of incomes. The tax farmers responsible for collecting the assessment had an interest in avoiding conflicts over the accuracy of the estimated incomes and did so by demanding an amount somewhat under that set by the government assessors.

The tax farmers may have introduced this downward bias to the data, but not a highly distorting one. And as for the underlying income registers, the procedures used to establish them impress us as careful and thorough. In Amsterdam a commission drawn from the municipal council (**vroedschap**), assisted by the city's precinct captains (**wijkmeesters**) and tax collectors, labored over an extended period to compile a register of all persons who were likely to fall above the taxable income limit. Then a separate commission from The Hague came to establish just who was and who was not taxable. This procedure generated first a list of those probably taxable on the basis of external evidence and a final list of the persons definitely subject to tax. The Amsterdam records preserve all of this information, and by comparing these lists we can identify the occupations which had many members with incomes near the 600 guilder limit and those whose practitioners were (nearly) all securely above the limit. The commissioners from The Hague (less subject to local pressure than the local committee whose responsibility was to compile the master list, for which local knowledge was essential) removed from the provisional tax rolls 38 percent of the registered weighhouse porters. Among the comparable tailors 32 percent were excused for falling under the 600 guilder limit, while this occurred to 28 percent of the wig makers, 22 percent of the shoemakers, 21 percent of masons, 17 percent of surgeons, 15 percent of glaziers, shippers, house painters and tobacco retailers, and 11 percent of saddle makers and tavernkeepers. One gets the impression that for occupations such as these only a small, high-earning elite proved to be taxable, since the local authorities will already have dismissed most of the practitioners from consideration as obviously below the 600 guilder income limit.

At the same time, these occupations which generated incomes that spanned the 600 guilder limit raised up many marginal cases that required the scrutiny of the committee from The Hague. Given this procedure, those occupations for which there are few or no persons who fail to meet the income qualification are likely to be ones (nearly) all of whose practitioners were safely above the 600 guilder limit, and which are therefore all fully present in the **Personeele Quotisatie**. Examples are:

apothecaries, butchers, sugar refiners, **schepenen** and **kassiers** (private bankers), jewelers, brokers, millers, and drapers.

The procedures followed in compiling the registers of the **Personeele Quotisatie** of 1742 give us confidence in their general accuracy. I have used them therefore to calculate the total incomes of households in the 16 cities for which these records have been preserved. The calculations in table 2 reveal a pattern of incomes above 600 guilders that places the largest city, Amsterdam, at the top, followed by the other large cities, followed by the middle-sized ones. The recipients of incomes above 600 guilders in the small cities formed the smallest share of the total population in their cities, but, perhaps for this reason, they boasted an average income slightly above that of the middle-sized cities. As for the incomes of the non-taxable resident, we have already estimated (in Table 1) an average income of 362 guilders. The pattern of higher incomes suggests that the recipients of under 600 guilders per year also varied by city size. The prospects for steady work and supplements to earned income must have been greater in the larger cities (while non-monetized support from garden plots, backyard goats and the like will have weighed more heavily in the smallest towns). Therefore, we distribute the 362 guilder average income as shown in the final column of Table 2: highest in Amsterdam and progressively lower in the smaller size categories.

Overall, just over 20 percent of all households in the 16 cities enjoyed incomes above the tax limit of 600 guilders, but here too, the bigger the city, the larger the percentage of high income households. In Amsterdam they formed nearly a quarter of the population; in the small cities just over one-eighth.

Our procedures yield an average household income for Holland's urban population of 654 guilders per year. This requires some upward adjustment for underassessment and exemptions, but taken at face value Table 2 reveals that the top 21 percent of income earners received (at least) 56 percent of total personal income.

Does this represent a highly unequal distribution of income? Answering this question requires making comparisons. For example, the distribution of income in the Netherlands around 1990 placed 41 percent of total personal income in the top 20 percent of households. But this represents gross income, before adjusting for the redistributive effect of taxes and social premiums. The net disposable income of the top 20 percent of Dutch households stood at 36 to 37 percent of total income. One can argue that the assessment procedures of 1742 (based on existing tax documents recording taxable property, consumption and incomes from government bonds) focused on disposable income, and thus approximated a modern definition of net income. At any rate, the weak progressivity of taxes then and the strong progressivity of modern taxation needs to be kept in mind.

The distribution of income was definitely much less equal in 1742 than in 1990. The top fifth of income earners claiming 56 percent of total personal income then in comparison with 37 percent (net) or 43 percent (gross) now. The mid eighteenth-century Republic certainly was a land of greater social contrasts than the late twentieth-century welfare state, but how did it compare with other pre-industrial European societies? Besides various highly impressionistic descriptions we have quantitative studies only for eighteenth century England (the work of P.H. Lindert and J.G. Williamson). They do not permit of a simple, direct comparison with our estimates for Holland, but support the tentative, but intriguing, observation that the top 10 percent of English income recipients (in 1688, 1759, and 1801) enjoyed an even larger share of total income than their Dutch counterparts, while the second 10 percent did rather better in Holland.

When we move from the question of income distribution to that of absolute levels of income, our data become rather more tractable. The average (uncorrected) income of households in the cities of Holland stood at 654 guilders (see Table 2), and these cities housed about 60 percent of Holland's population. When the 40 percent resident in the countryside are assigned an average income equal to that of the smallest cities (470 guilders per household), the resulting average income for the province as a whole comes to about 580 guilders. At an average household size of 4.0 persons, per capita income would then stand at 145 guilders per year; at 3.8 persons per household (our preferred estimate), 152 guilders; at 3.6 persons, 160 guilders. I noted above that these estimates require some correction for omissions and understatements of the taxed incomes.

No sources have yet been found to permit direct estimates of income for Holland or any large portion of the Republic at an earlier date. Personal income can be thought of as consisting of returns to labor (which dominate incomes below 600 guilders), rents from real property, and profits and interest from capital. Thus, any effort to reason how incomes might have evolved before 1742 would need to establish the chief trends of those economic entities.

Of these the course of *profits* and *interest* is the most difficult to track. Much argues for a fall in the profitability of foreign trade after 1660. Perhaps the incomes of merchants and shipowners would have been much higher circa 1650 than can be observed in 1742. But working in the other direction is the growth of interest income flowing from domestic and foreign bonds. This growth reveals an annual income from investments of many millions of guilders per year that had no mid-seventeenth century counterpart.

Income from the ownership of *real property*, especially of agricultural land, fell sharply after 1660, in some cases to less than zero. This development did not begin to right itself until after the 1740s. Any overall account of the course of non-wage

incomes in Holland or the Republic will be affected very sensitively by assumptions concerning the composition of total wealth, and changes in the structure of assets over time.

The course of *labor income* is often thought to be a simpler matter to track, since wages literally seemed to be frozen for at least 150 years after 1650. In fact the Republic's famed wage rigidity was not quite what it appeared to be, but of even greater importance for the course of total income was the incidence of unemployment. We have virtually nothing on which to base estimates of unemployment rates, but the evolution of wages and labor-market structure certainly hints at a growing problem of employment, especially for the less skilled workers. Within a general framework of stable wages, it was the wages for the unskilled and the unprotected (by guild or large employers, for instance) that stood under the greatest downward pressure. The economy's employment problems tended to be displaced toward the underside of the social structure, and it is there that a 'great disappearing act' took place. As poor men sought an escape from un- and under-employment by signing up with the VOC, and disappearing from the country (and often from among the living), the resulting imbalanced sex-ratios in the cities depressed marriage rates and thereby reduced the number of births. These demographic responses hardly form an ideal equilibrating mechanism, but very gradually they tended to adjust the supply of labor to a retreating demand.

This demographic process worked with special force in the cities of Holland and in rural North Holland, where a large loss of population occurred between 1670 and 1740. Even if the incidence of unemployment remained utterly stable between these dates, this decline of population in the highest-earning zones of the country brought about a serious fall in aggregate wage income. But the initiation of this downward spiral would be hard to explain in the absence of a decline in employment opportunities.

A crisis centered in the wage-earning population, did not stop there, of course. The resulting income and population decline undermined the viability of a wide variety of service occupations, from notaries to bakers, from book sellers to tavernkeepers. Even incomes above the 600 guilder line will have been affected. The overall effect of this crisis was to reduce aggregate income, but since not all incomes fell proportionately, it probably also led to a growth of the share of total income in the hands of higher income groups. 'Probably' because the effects of falling rents and commercial profits on the higher incomes remain to be factored in.

We focus here on Holland and its 10 percent fall of population in the period 1670-1740. In the Republic as a whole this loss was compensated for by growth in the eastern and southern provinces. But the wage and income levels there always remained

significantly lower than in Holland and the maritime zone, so that even the total income of the Republic as a whole must have experienced a significant downward pressure.

Before the mid-seventeenth century a large growth of income seems well established, even though we cannot really quantify it. After the mid-eighteenth century there are again some signs of growth in aggregate income. After the tax riots of 1748 the government made no further attempts to levy income taxes, so we have nothing to compare with the 1742 information. But taxes of wealth were levied often enough, and they point in the direction of a growth of the higher wealth categories. The rise of prices complicates any assessment of nominal wealth and income data, but it is possible that the (slow) growth of population and rents and the (more rapid) accumulation of financial assets buoyed incomes, especially for the upper classes. These positive trends were mixed with less desirable developments, especially the erosion of real wages, but the fundamental break with a wealth and income structure that had embroidered on a pattern established in the seventeenth century came with the great shocks that began with the liquidation of the VOC and WIC, was followed by widespread foreign bond defaults, and culminated with the **tiercing** of the national debt in 1811.

TABEL 1. ESTIMATION OF MEAN INCOME IN URBAN FAMILIES
EARNING LESS THAN f 600 PER YEAR

income group	%	mean income	total	mean
f 500 - f 600	8x	f 540	= f 4.320	income of all households together
f 400 - f 500	12x	f 440	= f 5.280	
f 350 - f 400	15x	f 370	= f 5.550	
f 300 - f 350	30x	f 325	= f 9.750	
f 200 - f 300	<u>15x</u>	f 275	= <u>f 4.125</u>	
< f 600	80		f 29.025 : 80 =	f 362,18

TABEL 2. RECONSTRUCTION OF INCOME IN 16 CITIES IN HOLLAND IN 1742 (IN FL.)

households	Amsterdam	four large cities ^{a)}	five midsized cities ^{b)}	six small cities ^{c)}	total income	mean income
taxable	12.655 (23,0%)				23.241.550	1.837
non-taxable (f 385 p. housh.)	<u>42.345</u>				<u>16.302.825</u>	<u>385</u>
total	55.000				39.544.375	719
taxable		8.026 (21,7%)			13.996.350	1.744
non-taxable (f 360 p. housh.)		<u>28.974</u>			<u>10.430.640</u>	<u>360</u>
total		37.000			24.426.990	660
taxable			3.172 (16,7%)		4.471.050	1.410
non-taxable (f 335 p. housh.)			<u>15.828</u>		<u>5.302.380</u>	<u>335</u>
total			19.000		9.773.430	514
taxable				824 (13,4%)	1.239.400	1.504
non-taxable (f 310 p. housh.)				<u>5.326</u>	<u>1.651.060</u>	<u>310</u>
total				6.150	2.890.460	470
Income 16 cities:	taxable housh. (24.677 housh. = 21,2%)			42.948.350	1.740	
	non-taxable housh. (<u>92.473</u> housh. = <u>78,9%</u>)			<u>33.686.905</u>	<u>364</u>	
	total households (117.150 housh. = 100,0%)			76.635.255	654	

^{a)} Haarlem, Leiden, Den Haag, Rotterdam

^{b)} Delft, Dordrecht, Enkhuizen, Gouda, Hoorn

^{c)} Gorinchem, Medemblik, Mommikendam, Purmerend, Schiedam, Schoonhoven