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The Wealth and Poverty of Households

A micro perspective on investment diversification in secondary towns in the early modern Low Countries

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Introduction

Despite the prevalence of wide-ranging claims on the rise of pre-industrial capital markets, the birth of modern consumerism, the increased efficiency of markets for land and labour, and the general commercialization of early modern society, these have rarely been substantiated from a micro-perspective. Even though little is known of the multiple ways in which households either coped with, or strategically influenced these unfolding processes, the household unit is nevertheless often seen as the prime agent in economic change. The adoption of a household perspective offers the opportunity to explore how these processes interacted with one another in the everyday, and how their impact was experienced differentially across society. It is at the level of the smallest economic unit that structure and agency meet. Yet households were not the sole agents in socio-economic life, and their experiences not wholly the outcome of independent strategies and management decisions. It is therefore deplorable that micro-studies with a wider comparative framework are particularly thin on the ground. By combining household-level data on the ownership of assets in three distinct localities in the early modern Netherlands and relating them across time and social strata, a modest attempt at such an approach has been made in the present paper.

During the past decade the opportunities opened by the development and expansion of capital markets throughout the late medieval and early modern periods by spurring investment, facilitating saving and providing financial security, have been increasingly explored and emphasized. The analysis of various 'financial revolutions' from Renaissance Italy to 17th and 18th century England or the Dutch Republic has amply demonstrated the beneficial capacity of developing financial markets for public institutions and governments alike.[1] How such markets impacted upon private households and how they interacted with existing and long-standing patterns of asset management and investment is however far less clear. What opportunities did the expanding financial horizon bring to individual households, and how can the expansion of capital markets be reconciled with other long-term processes of the period? How can it be related, for instance, to the simultaneously expanding 18th century investment of urban households in rural property described for many parts of the Southern Netherlands?[2] And is it merely coincidental that each of the aforementioned societies experiencing a 'financial revolution' has also been credited with a 'consumer revolution' in which households expanded the scope, number and diversity of their material possessions?[3] How did traditional and modern forms of investment and asset management tie together at the level of the individual economic unit? The present study hopes to begin tackling some of these questions by

[1] Principally Tracy 1985; 't Hart 1997; Sylla 2002; Hanus 2009; Zuijderduijn 2009; Zuijderduijn, De Moor et al. forthcoming and indirectly also Gelderblom and Jonker 2004.
[2] Klep 1988; Kint 1989; Vanhaute 1993; Thoen 2001.
[3] De Vries 1975; McKendrick 1982; Goldthwaite 1989; De Vries 2008; Goldthwaite 2009.

studying the involvement of households in credit markets within the wider context of their investment in real estate, hoarding in household goods and their possession of cash.

These issues are explored in three different case studies, each of which was to contemporaries of probably no more than regional importance. Three secondary urban centres were selected, each situated in a different region with a distinct economic and social structure. We have thus chosen not to focus on the exceptional circumstances of either the cosmopolitan inhabitant of Antwerp or Amsterdam, or of the remote and marginal peasant of the Low Countries' rural fringes, but rather on the more multi-facetted world occupied by the numerous households living in small- to medium-sized towns and villages all over the Netherlands.

Each of these case studies shall, in as much as possible, be approached with respect to the divergent social experiences which they themselves incorporated. When studied from a macro perspective the development of capital markets, the commercialization of society and the expansion of consumption have little to say on their respective social effects. How is it then that the supposed democratization of financial security can be reconciled with simultaneous tendencies towards social polarization and widening inequality?[4] By exploring the divergent strategies and opportunities available to households at various positions in society, we hope to shed some light in that domain.

In this paper we will first briefly introduce our datasets and present the case studies. In the following sections the main forms of investment shall be discussed: real estate, cash money, hoards of precious metals and investments in the private and public capital markets respectively. Each section compares the degree of participation in the three secondary towns in relation to their social and economic background, analyses the shifts in investment participation in relation to the economic trend, and tries to capture the effects of economic change on investment opportunities for different social groups. Our main findings are that the economic structure and the organisation of the labour market in both the secondary towns and their hinterland was 1) highly influential for their degree of monetisation, which in return determined further investment opportunities; 2) impacted differently on the degree of 'disinvestment' in periods of recession. The results further indicate that the introduction of new investment opportunities with higher yields or easier liquidity did not result in the crowding out of older ones, yet contributed to a higher diversification of investment portfolios.

Introducing the data and the case studies

The data for the Southern Netherlands relate to a detailed case study of approximately 500 after-death inventories from the town of Aalst between 1670 and 1795. Detailed information on

[4] Compare for instance the conclusions in McCants 2007 to the assessment in Van Zanden 1995.

total wealth holdings, types and amounts of debt and credit held, as well as the social position in the town's socio-economic hierarchy are available for this case. The data for the Northern Netherlands are derived from the Estate Inventory Database of the Meertens Institute (Amsterdam).[5] This database holds 2,591 after-death inventories for ten small towns, equally spread over the maritime, commercial region and the inland, agricultural zone of the Netherlands. They span the entire period between 1600 and 1900. For the purposes of this paper, we selected two communities of comparable size to Aalst, namely Maassluis in the maritime region and Oirschot in the inland zone, and limited our analysis to the period between 1650 and 1800, divided in three sample periods of fifty years each. This Estate Inventory Database specifies all types of belongings and investments. Although total wealth holdings cannot be calculated, the amounts of debt and credit are adequately specified. For the sake of comparison, we constructed a social classification scheme based on occupational structure, codified in HISCO and HISCLASS.

The three secondary towns chosen for our analysis were of comparable size and all functioned as regional service towns. The different economic structure of their hinterlands and the specificity of their own labour markets highly influenced their growth opportunities and their resilience in times of economic stagnation or crisis, which in turn impacted upon investment behaviour of individual households and the degree and phasing of social polarisation.

The medieval town of Oirschot is situated in the *Meijerij of Bois-le-Duc* in the Duchy of Brabant (now Northern Brabant). Besides its capital city of Bois-le-Duc, the Meierij consisted of four rural regions, one of which was the Campine region (*Kwartier van Kempenland*). Oirschot was its principal location, having a *regthuis* or aldermen's bench of its own and hosting an annual fair since the Middle ages. Although trade and industry were developing in this regional centre town, the Dutch Independence Wars (1568-1648) interfered. Agriculture suffered from wars and inundations, while the wartime levies further burdened the population. By the time the Treaty of Münster (1648) brought an end to the conflict Oirschot had been reduced to little more than an outsized village which served mainly as a service centre for its surrounding countryside. In 1795, it counted 4,355 inhabitants (2,017 male, 2,059 female), which makes it the smallest of our three case studies.[6]

The sandy Campine region consisted for 15 to 25% of wasteland, some commons and large forests (400-500 acres near Oirschot), heathland used for sheep farming, and some "islands" of arable land, meadows and grasslands. Between 1675 and 1775 the economy of Oirschot became specialized in silviculture, providing 10 percent of the wood production of the Meierij – part of which

[5] We thank the Meertens Institute and Hester Dibbits for the use of this dataset. The data have been codified during the KNAW Academie-Assistentenproject "De macht en onmacht van kredietmarkten", directed by Oscar Gelderblom and Bas van Bavel at Utrecht University. We thank Annemiek de Jong, Oscar Gelderblom, Karen Hollewand, Joost Jonker, Heleen Kole, Verena Seibel, Thomas van den Brink and Jon Verriet for their input.
[6] CBS, *Volkstellingen 1795-1971* – http://www.volkstellingen.nl/nl.

was used for clog-making in nearby Best. Farmland yields were low and most peasants suffered a continuous struggle for survival. Seasonal migration to the more fertile regions of Holland, Gelderland and Zeeuws-Vlaanderen offered one solution for agricultural labourers. A second solution was found in the cottage industry, especially during the eighteenth century, when textile production moved from Holland to the low wage area of Brabant. Several households listed spinning wheels in their inventories.[7]

Servaas van de Graaf, a historian-statistician active around 1800, described the poverty of peasants in this region: only few of them owned sufficient land and cattle to live off their farms. The majority owned just enough land, often of poor quality, to produce the basic food supply for their families and some surplus for the market. The income was used to pay taxes, and if possible to buy clothes and shoes. Almost none of them had spare money, which made them very vulnerable for external and personal crises, such as crop failure, cattle disease or illness. [8]

The community of Maassluis was originally part of the village of Maasland in Southern Holland, but received independent status in 1614. Contrary to the situation in Northern Brabant, Holland's Southquarter was characterized by a highly specialised agriculture (dairy and industrial products) destined for the regional market and for export. Agriculture was strongly commercialized and characterized by high yields. Although the period between 1650/1670 and 1750 is known as a period of rural crisis, Maasland and its hinterland were less hit than other regions, thanks to its orientation on dairy production (dairy prices declined less than wheat prices). The 1750-1850 period witnessed renewed economic expansion when food prices rose again and farmers were able to accumulate more wealth. Many of them employed seasonal migrants from the poorer regions in the Republic.[9]

Already from the late sixteenth century onwards the local economy of Maassluis was strongly focused on fishery. Many households made use of the so-called *partenrederij* (shares in ships) to limit risks. The community prospered between 1550 and 1622, attracting many migrants from the surrounding region and exporting fish to the entire area between the Rhine and the Seine. A reliable transport network connected the city to nearby villages and cities. While many cities were confronted with economic stagnation and even decline after Holland's Golden Age, Maassluis continued to develop into one of the wealthiest towns of the Southquarter by 1750. From that point onwards however, economic stagnation set in.[10] In 1795, Maassluis still counted 4,817 inhabitants.[11]

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[7] Joor 1986; Lesger 1986.

[8] Crijns and Kriellaars 1987;Van de Graaff 1807, cited in Crijns and Kriellaars 1987; CBS, *Volkstellingen 1795-1971* – http://www.volkstellingen.nl/nl. (nog aan te vullen: Leenders ***
http://users.bart.nl/~leenders/txt/oirschot.html)

[9] Noordam 1986.

[10] Dibbits 1998.

The town of Aalst, situated in the South-Eastern part of Flanders, had been an urban centre of regional importance since the middle ages, and largely remained that way until today. At the end of the 16th century – during the religious and political turmoil of the Dutch Revolt – Aalst counted a little over 6,000 inhabitants within its walls. By 1784 this had fallen to just 5,070 inhabitants, a figure which then rose quickly to 6,051 in 1797.[12] Although the population sizes of Maassluis and Aalst were largely comparable, their economic function and structure were less so. Whereas the former was mainly geared towards the fishing activities, the latter was known mostly as a textile town. When near the middle of the 18th century Aalst's mayor Jean Vilain XIIII listed the most important trades practiced in his hometown, he put the marketing of rurally produced linen in first place.[13] Since the middle of the 17th century onwards the urban production of textiles gradually disappeared, while the town's involvement in the finishing and trading of yarn and cheap linens produced on the nearby countryside rose to unprecedented levels throughout the 18th century.[14] Situated on both the river Dender (which connected the inland province of Hainaut to the Scheldt) and on the principal overland route between Brussels and Ghent, Aalst furthermore served as an important commercial hub, not in the least for the trade in regionally produced hops.[15]

Despite maintaining economic specializations as divergent as the commercialization of linen textiles, fishing, or silviculture and clog-making, the three surveyed communities nevertheless shared a similar function as regional service towns. Throughout the early modern era small and secondary towns such as Maassluis, Aalst and Oirschot served as central places for their hinterland, guaranteeing the proper distribution of goods and services and providing capital-intensive economic functions to the region. According to Jan de Vries the century after ca. 1750 witnessed a profound levelling of the European urban rank-size distribution. Increasingly, the small and secondary central places strengthened and levelled the base of the urban pyramid. Through the marketing and distribution of their produce and the provision of specialized services and consumer goods, the modest communities studied here fulfilled a crucial role in the commercial integration of their rural hinterlands in the 18th century European-wide economy.[16] How the larger unfolding social and economic processes influenced the investment behaviour of households in these three case studies, is the subject of the following paragraphs. The most traditional forms of investment, of which real

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11 CBS, *Volkstellingen 1795-1971* – http://www.volkstellingen.nl/nl.
12 De Brouwer 1968; MAA, *Modern Archief Aalst*, *Bevolking*, n° 1-5; RAG, *Scheldedepartement*, n° 1673.
13 MAA, *Land van Aalst*, n° 3683, art. 3.
14 By 1738 there were barely 31 weavers left in Aalst, and in 1784 the guild of the linen weavers was officially disbanded (MAA, *Land van Aalst*, n° 1683; ARA, *Oostenrijkse Privé Raad*, n° 405 B). The revenue of the flax and linen excise levied on the weekly market meanwhile kept on growing (MAA, *Oud Archief Aalst*, Stadsrekeningen, n° 417-541), and so did the numbers of spinners and weavers in the surrounding rural parishes (Lamarcq 1982; Vermoesen 2008).
15 Ryckbosch forthcoming.
16 De Vries 1984; Epstein 2001; Wrigley 2004.

estate is the principal one, shall be examined first – with the newer forms of capital assets in private and public credit instruments following subsequently.

Real estate

Although real estate has, almost since time immemorial right unto the modern age, been the most stable, persistent and common form of investment, its treatment in economic history often carries a pejorative undertone. Even though throughout North-West Europe land and house markets had already been fully developed since the middle ages, the market for real estate is most often seen as a conservative force in the early modern economic development of the region.[17] Investment in real estate, and especially in rural land holding, is often associated with tradition and irrational economic behaviour and contrasted to the more productive deployment of assets in industry or trade. A lingering discourse on the *'treason of the bourgeoisie'* arguably betrays a suspicion that despite the continuing development and liberalization of factor markets for land, leases and housing, older, feudal, repertoires of meaning remained attached to the ownership of real estate. With its connotation of lordly power and social prestige, investments in real estate are often regarded more as specific manifestations of *conspicuous consumption* than as rational investment strategies.[18] The urban *burgher* with vast rural estates on his hand is more likely to be seen as a victim to traditionalist prestige considerations, than as the independent economic agent for which neo-Smithian economic history would like to take him. With their relatively high security and generally low rate of return, investments in real estate are sometimes presented as the typical emanation of risk-averse and low-growth pre-industrial societies.

From a neo-Marxist perspective as well, urban investment in (rural) real estate has rarely been attributed a positive role in long-term economic development. Robert Brenner's agrarian capitalism portrayed early-modern towns as rent-seeking communities that took the place of medieval feudal lords.[19] Although Brenner himself mostly focused on the contrasting social property relations in England, France and Central Europe, his account has proven influential to more recent assessments of the rural economy in the Netherlands. In an economy where development seems almost entirely dependent on rural productivity, yet at the same time this development becomes increasingly harnessed by the quasi-feudal power of an immobile urban bourgeoisie, endogenous growth seems quite unthinkable – a case which has been made most explicitly by Erik Thoen for the

[17] Van Bavel 2010.
[18] The term 'conspicuous consumption' was coined by Veblen 1899.
[19] Hoselitz 1955; Sjoberg 1965; Brenner 1976; Wrigley 1978.

region of Inland Flanders in which Aalst was situated.[20] Such perspective on the early modern rural economy could scarcely be any further removed from the optimistic perspective on the purchasing power, agency and capability of bottom-up growth consistently developed by Jan De Vries.[21] As the most palpable symbol of rural surplus-expropriation by the early modern city, the urban ownership of real estate has been central to debates on the character of both the urban and the rural pre-industrial European economy.

The growing literature on European financial history has, on the other hand, repeatedly stressed the importance of secure real estate ownership in overcoming the so-called 'De Soto problem'.[22] In this view, the widespread availability of well registered and secure collateral and stable property rights thus played a pivotal role in the development of capital markets, and thus indirectly in long-term economic development.

In general terms, the ownership of real estate among inventoried households was very common in Maassluis and Aalst throughout the 17th and 18th centuries. Well over three in four households owned such assets. In inland Oirschot this was much less the case, although a remarkable growth spurt brought the ownership of real estate up to almost 70% of households by the end of the 18th century. The ownership of a single house (home to the household) was the most widespread real estate asset – especially so in Aalst where approximately 65% of all inventoried households enjoyed the 'full' property of their own home. Of course all these results suffer from the upwards social bias exhibited by any random sample of after-death inventories.[23] This is evident from the discrepancy in the home ownership as calculated from the proto-cadastral survey carried out in 1672 Aalst (49%) on the one hand, and the proportion of inventoried households with their own home (72%) on the other.[24] Such difference should serve as a reminder that all figures on the possession of assets presented in this paper are consistently over-estimations of the actual ownership patterns. Contrary to the situation in England however, there is no evidence of a significant change in this bias over time[25], nor is there any reason to believe that the bias might have been consistently different between the diverse case studies examined here.

[20] Vanhaute 1993; Thoen 2001.
[21] De Vries argument was first developed with regards to the purchasing power of the Friesland peasantry (De Vries 1975), but the same underlying thesis of 'bottom-up commercialization' has been expanded to cover the entire Western European urban network in De Vries 1984.
[22] De Soto 2001; Zuijderduijn, De Moor et al. forthcoming; van Bochove, Deneweth and Zuijderduijn, forthcoming
[23] Critical reviews of these sources in (among many others) Moore 1985; Spufford 1990; Wijsenbeek-Olthuis 1995.
[24] MAA, *Oud Archief Aalst*, n° 264.
[25] This has been tested extensively for Aalst using census registers, tax rolls and burial records (data available on request and to appear in Ryckbosch forthcoming). For the English case see the provocative argument made in Clark 2010.

It is remarkable that during the second half of the 17th century, all types of real estate ownership were more widely diffused in Aalst than in either Maassluis or Oirschot. Both in terms of rural land holding and urban rental houses, the citizens of Aalst easily surpassed even the prosperous urban population of Maassluis.

Table 1. Percentage of inventoried households with ownership of real estate in Maassluis, Aalst and Oirschot (17th-18th centuries).

	Maassluis	Aalst	Oirschot
Home			
1650-1700	36	72	12
1700-1750	52	66	26
1750-1800	43	62	46
Total	43	66	33
Multiple houses			
1650-1700	32	38	4
1700-1750	27	37	6
1750-1800	39	25	7
Total	34	37	6
Land			
1650-1700	16	44	17
1700-1750	15	35	41
1750-1800	19	24	62
Total	17	35	46

Sources: ***

The evolution over time in Maassluis, Aalst and Oirschot appeared to be radically divergent throughout the period under scrutiny. Whereas ownership of all types of real estate declined consistently from the second half of the 17th until the end of the 18th century in Aalst, the opposite was true in both towns in the Republic. There the opportunity for investment in real estate increased rapidly, although households in both towns exhibited a different focus: in Maassluis real estate investments were principally geared towards the (urban) housing market, whereas in Oirschot attention went disproportionately towards the ownership of rural estates. Part of the explanation for the divergent investment patterns in real estate between the three case studies probably stems from the prevalent economic structure and property relations both in the communities themselves and in the surrounding countryside.

As Maassluis continued to attract immigrants during the second half of the 17th century, a veritable shortage of urban housing made itself felt. Although the number of houses increased from 582 in 1622 to 889 in 1665, this remained largely inadequate. A tax roll from 1680 suggests that three quarters of the community's population consisted of exempted households. The three remaining social strata were dubbed the 'capitalists' (119 households), whose wealth surpassed the 2.000 guilders, and below them the 'half-' and 'quarter-capitalists'.[26] The pressure on the housing market was high and social polarization further stimulated the demand for rental houses, thus driving up the return for investors in urban real property. Oirschot, by contrast, was a rather poor community with a small elite and a stable population, consisting mostly of households involved in peasant activities and proto-industry. Their interest in rural real estate was probably spurred on by the increasing cultivation of former wastelands from the eighteenth century onwards.[27] Conversely, the retreat of the Aalst households from the rural land markets was at least partly driven by the rapidly expanding rural population and intensifying proto-industrialization which rapidly drove up the price of land.[28] As the lease price only hesitantly followed suit, the return on investment for the urban bourgeoisie declined throughout the 18th century (table 2).

Not all of the divergence in real estate ownership can be evidently explained from the perspective of the different rural and urban economies. In Oirschot and Maassluis it is clear that previously unprecedented amounts of capital were now being unleashed on the land and housing markets without a concurrent disinvestment in other types of assets (see below). In Aalst on the other hand, the declining land rents do not tell the whole story, as the ownership of rental houses also declined, despite stable (first half of the 18th century) and rising (latter half) rental revenues on urban property. It seems then, that not simply the lack of a solid return on investment for land explains the growing disinterest in real estate investment by the citizens of Aalst, but perhaps a more fundamental inability to do so. The estimated revenues presented in table 2 do not take the many expenses faced by property owners into account. Expenses for the maintenance of the estate, administrative costs and fiscal burden all reduced the already modest returns from real estate ownership. Although real estate could be deemed a low-risk investment, its year-to-year profitability was far from certain, as is amply demonstrated by the numerous rent arrears to be found in the inventories of all three case studies.

[26] Dibbits 2001.
[27] Crijns and Kriellaars 1987.
[28] This is corroborated by evidence from the reverse perspective: a growing share of peasants became owner-occupier rather than tenant in the rural parishes surrounding Aalst: De Brouwer 1963; Van Isterdael 1980.

Table 2. Estimated revenue from investments in rural land holding and house ownership in Aalst, 17th-18th centuries.

	Land rent	*House rent*
1650-1700	2.6 %	5.0 %
1700-1750	3.2 %	4.2 %
1750-1800	1.9 %	4.5 %
Total	2.6 %	4.6 %

Although the high percentages of ownership of real estate attest to the fact that not exclusively the urban elites partook in transactions on the land and housing market, they nevertheless remained the dominant players in the field. Throughout the period under scrutiny 63% of the total acreage of land and 50% of all rental houses were owned by the 10% richest households in town.[29] As the total presence of real estate in household portfolios declined throughout the 18th century, its ownership became increasingly polarized. From a share of 57% in the second half of the 17th century, the proportion of land owned by the top decile rose to 76% of the total acreage by the end of the 18th century.

Whereas for a growing share of the urban population the ownership of real estate became less common, some exceptional households still amassed vast estates. Jacques de Craecker, a doctor in medicine who died in 1680 after having served half a century on the town's aldermen bench, left behind 29 ha in eleven parishes near Aalst.[30] Jan Tack the Elder who occupied a spot on the aldermen's bench between 1695 and 1706 owned 23 ha in five parishes, and around the middle of the 18th century Jacobus Dommer possessed no less than 82 ha. in rural property, including mostly arable land and homesteads, but also vast stretches of marshlands, woods and gardens.[31] By the end of the 18th century such large land holding had not disappeared, as Judocus Boone, a lawyer at the Council of Flanders and a former town alderman, owned 44 ha upon his death in the 1790's. It seems unlikely that such extensive investment in real estate was motivated by any 'rational' profit calculations. Since most of these estates seem to have been leased off to small-scale tenants, no productivity gains from increased specialization or capital intensification were likely in play.

[29] Based on record linkage of 416 inventories to the housing taxes of a nearby year. The richest 10% thus refers to the top quintile in the fiscal distribution of the town, which seems to have captured almost all houses within the city walls.

[30] MAA, *Oud Archief Aalst*, n° 1800 (Jacques de Craeker). On his political career see De Potter and Broeckaert 1876).

[31] MAA, *Oud Archief Aalst,* n° 1830 (Jan Tack) and n° 1861 (Maria Beeckman). Dommer's son would become the chief bailiff of the Marquisate of Rode, whereas his brother Jan Dommer was alderman from 1750 to 1752 and pensionary of het Land van Aalst (De Potter and Broeckaert 1876; Cherrette 1982).

Monitoring costs, on the other hand, must have been high, as is borne out, for instance, by the 118 different tenants who owed rent arrears to Judocus Boone, and the numerous parishes over which most land ownership was scattered. Of all the households with such exceptionally large rural estates, there were none without ties to the local or regional political establishment. When Jacques de Smet was major of Aalst around the turn of the 17th century he possessed a 36 ha large estate called 'Rode Mere' in nearby Lede.[32] According to the estate's lease contract, half of the doves bred at the dovecote were to be granted to him each year – a symbol certainly not derived of undertones related to medieval feudality and lordly prerogatives.[33] The relatively widespread ownership of real estate among the households of early modern Aalst clearly did not preclude the persistence of long-standing consumption repertoires related to issues of power and prestige rather than to economic gain.

Such considerations were not confined to rural investments alone. In 18th century Maassluis the ownership of rental houses became increasingly concentrated in the hands of small group. In 1706, the carpenter Arij van de Hout owned six houses and a large garden for horticulture. In 1732, the chirurgeon Hendrik van Egmond lived in his own house yet owned three other houses, leased per room to fourteen different individuals and households. In 1789, Jacob Michielsz. Van Broekhuijsen, mayor of Maassluis, owned no less than 25 houses, a shipbuilding yard, two bleaching fields, five large plots of arable land and one meadow.[34] This concentration of house ownership seems characteristic of the creeping polarization that beset Maassluis after its period of greatest affluence had waned. Such inequalities seem less evident in Oirschot, even though the wife of the former town's secretary owned 5 houses in 1786, besides sixteen plots of land. There as well, ownership of real estate and political power were often closely intertwined.

The high degree of polarization in the ownership of real estate is also borne out by an analysis based on occupational groups (table 3). In both Maassluis and Aalst the higher status occupations, such as the professions or non-manual trades, seem to have had considerably more access to real estate than the other socio-occupational groups. Oirschot is the odd one out here, as the top two status groups do not seem to have owned significantly more real estate than ordinary artisans or even lower status occupations, but this can most likely be attributed to the rapid increase in real estate ownership taking place in the 18th century.

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[32] De Brouwer 1963.

[33] Buylaert, De Clercq et al. 2011.

[34] In 1650-1700, the inventoried population consisted of respectively 10 owners with 2 houses, 3 with 3, 2 with 4 and 1 with 5 houses; during the period 1700-1750: only 4 multiple house owners possessed 2 houses, against 2 owners with 3 houses, 2 with 4, 1 with 5, 3 with 6 and 1 with 15 houses; 1750-1800: 19 owners with 2 houses, 1 with 3, 4 with 4, 2 with 6, 2 with 7, 1 with 9, 1 with 16 and 1 with 25 houses.

Table 3. Percentage of households owning real estate per occupational group, all periods (17th – 18th centuries)

	Maassluis	Aalst	Oirschot
1. Higher status occupations	91	94	43
2. Non-manual middling groups	77	89	43
3. Manual middling groups	85	79	62
4. Lower status occupations	80	76	46
5. Unskilled labourers	60	50	.
6. Unknown: 'poor'	0	0	0
7. Unknown: 'other'	85	91	98
Total	79	78	53

In the fishing community of Maassluis the ownership of real estate proved to be unequally distributed, but less so than in Aalst. Consistently over the entire period, the share of 'elite' (occupational groups 1 and 2) real estate ownership in Aalst surpassed that of Maassluis, whereas the middling and lower status groups (groups 3 to 5) owned considerably more real estate in the latter than in the former. In Maassluis there are clear signs of democratization in the ownership of real estate, with the asset both being more widely and less unequally as the 18th century progressed. In the Flemish town of Aalst, on the other hand, polarization deepened as a growing share of urban citizens became unable to participate on the markets for land and housing.

Hoarding, saving and spending: cash, credit and precious metals

It is well established that the pre-industrial Low Countries were highly 'monetarised' yet poorly 'monetised'.[35] A central problem was that economic growth kindled the demand for money much more rapidly than its supply could keep up with. And even when money was available many households saved it up for later payments (in order to settle consumer debts or rent, to redeem loans or pay taxes), or hoarded it for its intrinsic plate value, to be used in dear times to come. The result of such strategies, referred to as *currency hoarding* and *savings hoarding* respectively[36], was that the available ready money was often limited in use to wholesale trade transactions, whereas

[35] Monetarisation relates to the use of money as a unit of account, a medium of exchange and a store of value. Monetisation relates to the coining of currency, and more specifically to the degree to which coins were available for daily payments.
[36] Morineau 1990; Moriceau 1994; Muldrew 1998; Lambrecht 2007.

daily expenses were more often and more conveniently settled through long-standing credit accounts. It should be stressed, however, that the presence of cash not only points towards the activity of hoarding households, yet is also indicative of the evolving demand for money within a given society – either for trade or for wage labour. More specifically, the presence of different denominations of currencies is indicative for the nature and range of trade and production, which is clearly confirmed by the cases studied here.[37]

The differences in cash holding between the households in our three towns loom large. In Maassluis and Aalst, two regional service towns amid a prospering hinterland and integrated within a larger urban network, 53% of all inventoried households were already 'monetised' during the second half of the 17th century. This proportion rose slightly during the first half of the 18th century to 62% for Maassluis and 67% for Aalst. The second half of the 18th century, characterized by a considerable increase in minting and money circulation, brought monetisation in these secondary towns to a level comparable to the larger cities in the region: 89 and 77% respectively.[38] Remarkable differences, however, were evident in the average amount owned by these monetised households. In Maassluis, where exporting fish on a large scale constituted the main economic activity, inventoried households possessed an average of 671 guilders in the second half of the 17th century, mounting to 1,233 and 1,623 guilders in the following half centuries. These inventories moreover listed coins from disparate provinces all over the Low Countries as well as from foreign countries such as Sweden, Scotland, England, France, Spain, and Portugal. The fact that different currencies and denominations were hoarded undoubtedly led to a higher total amount of money.

Monetisation in Aalst evolved at a similar pace to Maassluis, but at a lower level. The average amount owned there increased from 311 to 872 guilders between 1650 and 1750. As the city served its own hinterland, liquidity in different denominations was less of a necessity. During the second half of the 18th century the average amount of cash owned by households in Aalst declined to a mere 470 guilders. The late 18th century economic crisis probably made itself felt in the highly liquid domain of ready money first, and impacted upon other forms of investment only later.[39] The growing number of outstanding debts which were deemed 'irrecoverable' in late 18th century Aalst similarly underscores the shortage of liquidity of the time.[40]

[37] Mayhew 2007.
[38] Ghent: 80% in 1738, 71% in 1788; Antwerp: 85,5% in 1738; 83,9% in 1788. Sources: Feyaerts 1967; Vanaverbeke 1969; Vandervorst 1977; Jacobs 1981.
[39] Lambrecht 2007 has suggested that money from the rural area around Aalst was drained off towards Brussels where a growing number of merchants and manufacturers experienced cash shortage.
[40] In the 1670's just over 5% of inventoried households was entitled to credit that was deemed 'hard' or 'impossible to recover' due to poverty or insolvency. By the middle of the 18th century this had expanded to 8% of all households, and by the 1790's almost 20% of all inventoried households had claims on irrecoverable debt (Ryckbosch forthcoming).

Oirschot was situated in a poor and poorly commercialised region. Most farms were small family businesses and remained highly self-provisioning until the 18th century. Only part of the production was destined for the market because at least some income was needed to pay taxes and buy products that could not be produced with their own means.[41] Only 13% of households were monetised between 1650 and 1800, while the average monetisation in the inland region of the Republic amounted to 20%. Oirschot's monetised households, however, owned slightly more money than their inland counterparts: 243 guilders against 211. The seasonal migration of wage labourers was probably responsible for "money import" from the wealthier provinces of the Republic. Here again, Oirschot's situation improved after 1750.

Table 4. Percentage of households with cash & average value per 'monetised' household (in guilders).

	% Households			*Average value per household*		
	Maassluis	**Aalst**	**Oirschot**	**Maassluis**	**Aalst**	**Oirschot**
1650-1700	53	53	24	671	311	232
1700-1750	62	67	4	1,233	872	113
1750-1800	89	77	13	1,623	470	275
Total	**71**	**66**	**13**	**1,309**	**638**	**243**

Table 5. Percentage of households with cash & average value per 'monetised' household (in guilders); per social group.

	% Households			*Average value per household*		
	Maassluis	**Aalst**	**Oirschot**	**Maassluis**	**Aalst**	**Oirschot**
1. Higher status	81	75	25	1,762	699	155
2. Non manual middling	72	72	38	1,409	990	722
3. Manual middling	65	76	10	1,019	481	53
4. Lower status	63	64	15	491	691	
5. Unskilled labour	40	67		48	71	
6. Unknown: 'poor'	50	54	8	204	136	541
7. Unknown: 'other'	85	60	14	2,047	749	225
Total	**71**	**66**	**13**	**1,309**	**638**	**243**

[41] Joor 1986; Lesger 1986; Crijns and Kriellaars 1987.

The differentiation between social groups (table 5) shows few clear patterns. Average values highly differ between social groups over time and between towns, although it is clear that in general terms the higher social groups had more money at their disposal. This probably reflects the elevated need for liquidity among retailers and producers, thus also explaining relatively high amounts across the middling groups. On the other hand, savings in cash constituted "dead money" which generated no additional income. It is to be expected that the higher status groups would prefer to invest their spare money in financial instruments that could be easily liquidated on the secondary market – especially during the eighteenth century. All the more so since their wealth and status guaranteed considerable creditworthiness and thus the security of being able to overcome cash-flow issues with the help of consumer credit and informal loans. For the lower social strata however, the ownership of ready money was probably more of a necessity, and increasingly so. As the urban communities of Maassluis and Aalst became progressively monetised throughout the 17th and 18th centuries, the leverage of the traditional trust-based credit economy waned.[42] With cash becoming the norm in retail, the possibilities for obtaining consumer credit narrowed – a tendency which probably made itself felt among the lower social groups first and foremost.[43]

It stands to reason that in a low-cash economy not only minted coins but also precious metals themselves carried many properties and functions of money. Silver and gold – and to a lesser degree tin and copper – possessed a relatively stable and apparent (intrinsic) value and high liquidity. Regardless of its use value in displaying status and wealth or providing aesthetic pleasure, jewellery and decorations made from silver or gold thus provided their owners with the possibility to hoard money in a relatively risk-free and easily accessible way. In times of need or opportunity the items could be sold (and/or melted), or used for pawning. Thus not only cash and short-term credit thus allowed a household to liquidize its wealth, but so did precious metalwork. On the other hand, the ownership and public display of silver and gold might have induced higher personal creditworthiness and thus stimulated individual access to credit. These practices were not necessarily limited to the social elites alone, as the inventories from our three case studies reveal that the possession of such items was remarkably widespread. Taken over the entire period under scrutiny (1650-1800), no less than 83% of all inventoried households in Maassluis, 54% in Aalst and 27% in Oirschot owned at least one silver or gold item. Rather than betraying diverging investment strategies, the discrepancy between the three towns seems to confirm our general impression of the disparate wealth levels in the three towns – and of the three overarching regions (Holland, inland Flanders and Campine

[42] Compare with the processes described for 16th-17th century England in Muldrew 1998.
[43] See also Willems 2009; Deneweth 2011.

Brabant) for that matter. Within each community as well, the ownership of silver and gold was closely associated with higher social status (table 6).

Table 6. Percentage of inventoried households with silver or gold possessions (1650-1800).

	Maassluis	Aalst	Oirschot
1. Higher status occupations	91	69	52
2. Non-manual middling groups	94	63	64
3. Manual middling groups	80	57	23
4. Lower status occupations	65	30	15
5. Unskilled labourers	40	0	0
6. Unknown: 'poor'	56	54	17
7. Unknown: 'other'	85	51	33
Total	83	54	27

The implicit potential of precious metals as cash hoards is illustrated in the after-death inventories by the common lumping together of all silver items in a generic 'silverwork' category which was then weighted and appraised at a fixed price/weight rate. The appraiser, who of course set out solely to value and liquidate the deceased's estate, thus attributed resale value only to the incorporated raw material rather than to any labour, skill or design integrated in the specific items themselves. Yet even when the appraiser paid specific attention to the specific silver mustard pot, candlestick and salt pincher owned by Geraert Wittelsprot from Aalst (to name just this example), he did not fail to mention that they weighed exactly 10, 14 and 22 ounces respectively. As supremely durable and consistently valued goods, silver and golden objects had been ideal for hoarding wealth since at least the middle ages.

Table 7. Percentage of inventoried households with silver or gold possessions over time.

	Maassluis	Aalst	Oirschot
1650-1700	69	69	28
1700-1750	82	51	9
1750-1800	92	46	34
Total	83	54	27

The evolution of the ownership of precious metalwork in our three case studies largely follows the same pattern as that of the other household assets studied. Between the middle of the 17th and the end of the 18th centuries the presence of silver and gold rose remarkably in Maassluis, declined as forcibly in Aalst, and proved much less prevalent and inconsistently so in Oirschot. It remains hard to tell whether the different experiences of households in Maassluis and Aalst resulted from a growing ability to hoard wealth in Holland (and a reduced ability to do so in Aalst), or of divergent strategies made in the face of differential opportunities. The fact that not only the poor but also the rich increasingly abandoned investments in precious metalwork suggests a more complex relation to patterns of poverty and affluence than would be expected at first sight.

Studies of early modern material culture alert us to the fact that there was more to silver and gold than hoarding alone. Helen Clifford has convincingly argued that in 17th and 18th century England the fashionability (design, shape and workmanship) and antiquarianism (historic or personal value) of precious metalwork increasingly trumped its 'intrinsic', material value.[44] She situated this evolution within the broader development of a new semiotic system centred around display and fashion, and the emergence of new culture of refinement.[45] Historians of early modern consumer culture generally agree on the tendency described by Clifford, as households gradually shed expensive and durable products and replaced them with more fashion-sensitive, breakable and cheaper items. Tin and copperware were replaced by elaborately designed but cheap and breakable earthenware and glass, various types of cottons replaced heavier wool and linen textiles, and novelty and fashion acquired prominence over quality and durability.[46]

Some circumstantial evidence on the changing meaning attributed to silver objects can be inferred from the inventories used in this study as well. The share of silver objects that was lumped together in a single category and appraised by weight in the Aalst inventories declined from 16% to just 5% between the second half of the 17th and the end of the 18th centuries.[47] Throughout the period studied more and more silver objects were described specifically in terms of their shape, design and function, rather than as part of an amorphous 'silverwork' category. Harm Nijboer has attributed this shifting attitude of early modern households towards hoarding to the new economic opportunities for saving that arose with the development and expansion of capital markets and their concomitant 'contractual culture'.[48] Confronted with the increasingly flexible and accessible capital

[44] Clifford 1999.
[45] On the cultural background of this perceived shift in 18th century material cultures: Smith 2002; Poukens and Provoost 2011.
[46] See, among others, Shammas 1990; Fairchilds 1993; De Vries 1994; Dibbits 2001; Blondé 2002; De Staelen 2007; Nijboer 2007; De Vries 2008; Blondé and Van Damme 2010.
[47] A similar trend can be attested for tin (from 33% to 9%) and porcelain (57% to 4%).
[48] Nijboer 2007.

markets, households progressively opted more for saving and investing there, instead of hoarding at home.

Financial assets

Financial markets in the Low Countries were already well developed by the end of the Middle Ages, leaving ample opportunities for investments in redeemable and life annuities, on both the public and the private market. Conversely, they provided debtors with long-term, short-term and consumer credit through a widening range of financial instruments and long-standing credit accounts. The availability of surplus savings could thus be used for productive investments, which could in turn lead to increased surplus creation. Growing investment opportunities in the capital market and exceedingly differentiated financial instruments with higher liquidity (such as obligations) considerably diminished the need to hoard cash or hoard wealth in household goods.[49] In the following paragraphs these developments will be explored from the perspective of household investment behaviour. A distinction shall be made between private and public financial markets.

Private financial markets

Pre-industrial financial markets have been investigated most extensively through the analysis of aldermen's registers and notarial contracts.[50] These sources document registered, formal contracts, mostly related to formal obligations and mortgaged annuities and debts. The private financial market covered a broader area of activity however, since it also entailed a variety of non-registered loans and contracts, and informal and oral agreements. In its broadest sense, consumption credit and delayed payments for deliveries, taxes, rent,… should in fact be considered as well. For the purpose of this paper, private financial assets have been defined as investments in either formal or informal instruments as a result of which a well-defined capital sum was lent by one person or household to another. Temporarily supplied credit for (commercial) deliveries, tax payments or rent arrears were thus excluded from the present analysis.

Given the previously presented findings, it was to be expected that the poorly monetised households in Oirschot were not very active on the capital market, as is confirmed by the very small

[49] Boone, Davids et al. 2003; Tracy 1985; Munro 2003; Murray 2005; Zuijderduijn 2009.
[50] To name only some: Soly 1974; Dambruyne 2001; Hoffman, Postel-Vinay et al. 2001; Hanus 2007; Deneweth 2008.

number (4%) of active investors there. The rural crisis of 1650-1750 heavily impacted on both the availability of and demand for loans, the number of investors falling from 9 to only 3%. The further analysis will therefore be limited to a comparison between the communities of Maassluis and Aalst.

Table 8. Percentage of inventoried households owning private financial instruments, median of values per household

	% Households			*Median of values per household*		
	Maassluis	**Aalst**	**Oirschot**	**Maassluis**	**Aalst**	**Oirschot**
1650-1700	38	63	9	1,475	988	
1700-1750	29	48	3	500	840	
1750-1800	61	44	3	1,100	1,500	
Total	**46**	**49**	**4**			

Note: The number of investments in Oirschot was too low to calculate median values

Although loans could be used to bridge temporary gaps in income flows or to overcome temporary cash-flow problems of a different kind, they mainly served investments on the household or business level. As a result, the total number of loans and their amount usually reflects the prevailing economic trend.[51] It comes as no surprise then, that the number of creditors and the median value of the amounts they lent declined in the period between 1650 and 1750. As soon as the economic situation improved in the second half of the 18th century, both the number of investors and the median value of their loans increased considerably, at least in Maassluis. The number of creditors in Aalst slightly decreased in comparison to the earlier benchmark, although the median amount per investing household grew. This confirms the trend already observed in relation to real estate: social polarisation tended to concentrate capital assets in the hands of a smaller number of households in Aalst. In Maassluis, on the contrary, investments in private financial instruments were no longer a prerogative of the higher social groups. They underwent a ‘democratisation’ process similar to the one observed for real estate. The falling median value of investment per household might be a function of this process. On the other hand, however, the falling median value of investments in private finance was duly compensated by a simultaneously rising investment in public finance (see infra).

[51] Schapper 1957; Soly 1974.

Table 9 Evolution of the percentage of investors per social group

	Maassluis			Aalst		
% Households	**1650-1700**	**1700-1750**	**1750-1800**	**1650-1700**	**1700-1750**	**1750-1800**
1. Higher status occupations	75	22	60	100	100	65
2. Non-manual middling groups	47	39	73	60	71	61
3. Manual middling groups	23	9	56	60	44	0
4. Lower status occupations	27	14	48	0	31	50
5. Unskilled labourers	0	0	0	0	0	0
6. Unknown: 'poor'	0	0	0	0	0	0
7. Unknown: 'other'	17	64	82	74	45	49
Total	**38**	**29**	**61**	**62**	**47**	**35**

A specific form of non-public investment consisted of investments in private businesses.[52] This form of investment was almost entirely inexistent in Oirschot and Aalst. Several of Maassluis' investors owned shares in ships (*scheepsparten*) however, and from the late 18th century onwards some (life) annuities and bonds in plantations in the Caribbean. Both generated nice returns – plantation annuities yielded interests up to 6 % - but at a higher risk. Shares in ships (*scheepsparten*) constituted a typical form of investment in the maritime region of the Northern Netherlands. Zuijderduijn and De Moor calculated that, during the period 1462-1563, 20 to 23% of the population of Edam and the Zeevang owned them.[53] This type of investment spread risks in two different ways: several investors held the joint property of one ship, while individual investors divided their capital among several ships. Gelderblom estimated that shares in ships without cargo yielded on average 9.4% in late sixteenth-century Amsterdam.[54] During the second half of the 17th century 23% of inventoried households in Maassluis had made investments in ship shares. When fishery became a less dominant economic activity throughout the 18th century, ship shares began to lose their appeal. The share of investing households declined to just 11%.

[52] These investments are handled separately. They are not included in the tables.
[53] Zuijderduijn and De Moor 2012.
[54] Gelderblom 2003.

Public financial markets

The rise and functioning of markets for public debt has been attributed to their interaction with the institutional framework, fiscal innovation, state formation and economic growth. Although their systems of public finance had the same institutional roots and were originally organised in a largely similar way, the Republic and the Southern Netherlands followed different trajectories after the Dutch Revolt. The former, benefiting from an unprecedented round of economic growth during the 17th century Golden Age, succeeded in organising its public finance on a provincial level, while local autonomy in the area of tax collection was an impediment to the further centralisation of public finance in the Southern Netherlands, as recently argued by Gelderblom and Jonker.[55] In addition to that, the Republic succeeded in enthusing a growing part of its population to invest in public debt, while this remained an investment form of minor importance in the South. The investment portfolios in our secondary towns confirm this general trend, although it should be stated that in comparison to the larger Dutch cities investments in public debt started relatively late in Maassluis.

Why would individual households invest in public debt? We can assume that saving surpluses would be invested in the own business or spent on personal needs before being invested in real estate and/or financial assets. In the latter case, the choice remained between the private and the public market. We will therefore analyse investments in public debt in relation to the other investment opportunities. As stated before, the market for private finance slowed down considerably during the first half of the 18th century – not necessarily because money was not available, but rather because demand for private loans diminished as a result of economic decline. Hence, existing surpluses had to be reoriented elsewhere. Several elements contributed to different investment behaviour in the three locations under scope: the availability of saving surpluses, existing investment opportunities, differences in return on investment and the institutional framework.

Oirschot, being the poorest community in our Dutch comparison, did not have the saving surpluses to invest in the first place. When more land was being cultivated and agricultural yields started to rise in the second half of the 18th century, the main investment strategy was to acquire real estate, especially land, not financial assets. Only 1% of all inventoried households owned public debt.

[55] Gelderblom and Jonker 2010.

Table 10. Percentage of households owning public debt, median value (in guilders)

	% of households		*Median of values per household*	
	Maassluis	**Aalst**	**Maassluis**	**Aalst**
1650-1700	10	18	925	1,400
1700-1750	21	18	645	3,826
1750-1800	59	16	833	2,058
Total	**34**	**17**	**800**	**2,292**

In Aalst, the number of households owning private assets gradually diminished from 63 to 48 and eventually 44% between the second half of the 17th and the end of the 18th century. The possession of all kinds of real estate (own home, rental houses and land) diminished accordingly, and even investments in public debt – already at a relatively low level – further diminished from 18 to 16% of inventoried households. It seems that social polarisation went hand in hand with disinvestment, both in real estate and in financial assets. The comparatively high amount invested in public debt (by those households that continued to invest) confirms this trend of wealth concentration. During the 18th century the growing number of poor immigrants from the booming countryside around the town fed a growing 'underclass' even in a secondary town as Aalst.

An analysis of the types of assets owned (see appendix) demonstrates that most public debt was issued at the local level: the city of Aalst itself, as well as other towns and neighbouring parishes on the countryside were the main public debtors. Between 1650 and 1750 a remarkable shift of investments occurred from the former to the latter. The second half of the 18th century witnessed a further transition from the local to the provincial, national and even international level – a trend which is confirmed for Maassluis as well.

There, the waning demand for private finance during the first half of the 18th century (dropping from 38% to 29% of all households) had been compensated by higher investments in real estate (rising from 36 to 52% of all households being proprietor of their own house) and in public finance (rising from 10 to 21% of all households). During the second half of the 18th century, investment in real property dropped while the number of households investing in private financial assets rose from 29 to 61%, and those investing in public debt rose from 21 to 59% of all households. Here, the impact of social polarisation seems to have been less acute, at least as far as the inventoried population is concerned. In the field of public finance, we even observe a remarkable 'democratisation' of financial instruments, which is confirmed by a much lower median value of the public debt owned.

Investment opportunities in Maassluis were quite different. Maassluis did not issue public debt, but some investors held bonds on Delft and to a lesser degree on Gouda. The majority of all public debt was issued by the province of Holland and West-Friesland. Since the value of these bonds ranged between 100 and 4,300 guilders, they were easily accessible for the lower middling groups and even for some lower class households as well. The second half of the 18th century witnessed an increase in national debt, with issues again ranging between 32 and 3,000 guilders, thus easily accessible for small investors as well. Although international investments were on the rise, they certainly did not draw all capital out of the country as was imagined by some contemporaries.[56] The total amount generated by these bonds in the inventoried households in Maassluis was just 58,770 guilders, against 95,325 guilders for national bonds and no less than 405,834 guilders for bonds on Holland and West-Friesland.

The differential availability of investment opportunities certainly goes some length in explaining the dissimilar degrees of investment in public debt in Aalst and Maassluis. But what about the returns on investment? In Aalst, interest rates on public debt did not differ from those on private debt. They both fell from 6.25% in the 17th century to 5% around 1750 and 4% in 1790. Hence, crowding out because of interest rates seems not to have been an issue.

That situation was different in the Republic. Interest rates on Dutch debt decreased from 6.25% in the beginning of the 17th century to 5% in 1650, and even to 4% shortly after. During the 18th century, they fell even further to 3%.[57] Taking into account the 1% taxation on income from Holland's public debt from 1702 onwards, real interest rates even fell below that level.[58] Private loans in Maassluis, on the contrary, generated a median interest rate of 5% during the second half of the 17th century, 3,5% in the first half of the 18th century and they equalled the rates on public debt with 3% during the latter half of the century. Since investments in the private market had a higher return, crowding out was a possibility. We nevertheless observe that during the first half of the 18th century, not only more households started to invest in public debt, but also more households of the middling and lower social groups began to do so. We can assume that decreasing demand on the private market due to the economic stagnation and recession reoriented investments towards the public market – although it is readily admitted that this is just one possible explanation. A second one could be found in the possibility that, since income from both taxes and investment in public debt would have been equally affected by the economic situation, the authorities might have taken measures to safeguard their income. More research is needed to corroborate these hypotheses however. Perhaps the authorities started to actively target potential investors in such secondary

[56] Degryse 2005.
[57] 't Hart 1997.
[58] Fritschy and Liesker 1996.

towns as Maassluis. Or perhaps a change in the institutional context might account for the issue as well. We know that the Orphan Chamber of Amsterdam from the 1670s onwards actively redirected non-invested capital of the orphan accounts under their supervision towards Amsterdam bonds, and (to a lesser degree) bonds of Holland and West-Friesland. At least some of the 'democratisation' in public debt holding thus seems to have been driven by public institutions themselves. Similar interventions do not seem to have occurred in the Southern Netherlands, where public debt on the whole remained less important in investment portfolios.

Increasing investments in international public debt can most straightforwardly be explained by higher returns. In Maassluis, their interest rates ranged between 2,5 (France) and 6% (Spain), the median interest rate being between 4 and 5% (Denmark/Norway and some German states), still 1 to 2% higher than national and provincial bonds. In Aalst, interest rates ranged between 4 (Hungary and Bohemia) and 5% (Vienna and Sweden), while inland investments also yielded 4%. Since most of these international bonds were sold through intermediaries in Amsterdam, The Hague and Rotterdam for Maassluis, and Antwerp for Aalst, it yet remains to be seen if real yields differed all that much. The international investments, most popular in our higher status groups, are an indication of the growing need in investment opportunities and portfolio diversification, a trend confirmed by later, 19th century investment behaviour.

Conclusions

Despite the many differences to which we have drawn attention in the previous pages, at least three crucial processes were commonly experienced throughout secondary towns in the Northern and Southern Netherlands. First of all there is the well-established decline of interest rates throughout the entire period studied, which is clearly evident in all aspects of the financial market in both Aalst and Maassluis – and for that matter in a wide range of both urban and rural case studies from the Low Countries. Capital became almost universally cheaper, and – perhaps as a result – more globalized. Over the course of less than a century, the investment horizon of the moderately well-to-do in such secondary places as Aalst and Maassluis expanded from the provincial to the national and, increasingly, the international level. A second common experience involved the deepening monetization of urban society. Treading in the footsteps of the larger commercial metropoles of the region and showing the way for their surrounding hinterlands, the 18th century urban central places witnessed the gradual decline of the credit economy and the concomitant expansion of monetized transactions on the market. A third common process was suggested by the changing meaning of silver and gold ownership, as hoarding in household goods was progressively replaced by the acquisition of less durable and less expensive objects on the one hand, and an increased involvement in financial markets on the other.

Only Oirschot, situated in the poor and marginal Campine region of Brabant seems to have been characterized by an extraordinary detachment from the wider processes unfolding in the maritime zone of the Netherlands. Brabant was undoubtedly the poorest region, yet the other inland provinces of Gelderland and Groningen show similar patterns compared to Brabant: self-provisioning family farms with a small surplus production for the market, a low degree of monetisation and a feeble activity on the capital market.[59] Apparently the spatial proximity of a highly commercialized and monetized economy, and thriving financial markets in the surrounding provinces, did not offer sufficient opportunities to those areas in which agricultural conditions and property relations proved unfavourable.

This is not to say that the tendencies outlined above benefited all inhabitants of Maassluis and Aalst, let alone equally so. As levels of monetization deepened, the traditional credit economy with its repertoires based on trust and reciprocity was dismantled, making it harder to obtain consumption credit in times of need. Aalst furthermore seems to have been beset by a veritable proletarianization process, as a growing share of urban households was bereft of financial security and income through the possession of real estate or financial assets. In Maassluis – and somewhat less convincingly in Oirschot as well – the opposite seems to have been true. There, the social middling groups were able to strengthen their financial position as real estate and financial assets underwent a gradual process of democratization.

It seems that three conditions had to be fulfilled before households started to diversify their investments: a certain degree of labour specialisation and monetisation were needed to fuel further investments; household income had to cover more than just basic needs; access to sufficient investment opportunities for saving surpluses was needed.

The case of Oirschot clearly illustrates how the economic revival in the second half of the 18th century led to a higher degree monetisation, as more households acquired money and precious metals. As soon as wastelands were cultivated, their next step was to acquire land: a source of income for peasants and an important collateral for credit, which enabled further investments. Although capital markets existed and town secretaries, notaries or merchants could have provided the necessary intermediation on the capital market, most households preferred investments in land above financial assets.

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[59] This has been elaborated in the field of material culture by De Vries 1975; Schuurman 1989; see also De Vries and Van Der Woude 1997; Soltow and Van Zanden 1998.

Maassluis and Aalst illustrate the complementarity of different components of wealth. When demand for private capital diminished, investors reoriented their surplus savings to the markets for real estate and public debt. As soon as the economy revived, demand for private funds increased, yet not at the detriment of other forms of investment. Investment portfolios were simply reshuffled. The capital market showed the same complementarity. Financial instruments with a different liquidity, different risks involved and different interest rates did not crowd each other out. Instead, investors tried to combine them, diversify portfolios and spread risk.

Higher class households continued to enjoy income from their investments, while lower class households, being dependent on the labour market, were hit at the level of their basic income. Aalst was confronted with a certain degree of disinvestment among the middling groups. Both investments in real estate and financial assets were abandoned. Maassluis was less hit by such social polarisation, at least not within the inventoried population. Social middling groups remained stronger and even enjoyed a certain degree of democratisation of investments. By offering small shares on the market for public debt, investments remained available for a larger part of the population.

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Appendix: Public debt in Maassluis and Aalst

Table 1. Shares of public bonds and (life) annuities per issuer

Issuer	Maassluis			Aalst		
	1650-1700	**1700-1750**	**1750-1800**	**1650-1700**	**1700-1750**	**1750-1800**
Local authorities	0	0	0	55	36	23
Other towns	39	0	1	4	6	2
Rural parishes	0	0	0	26	53	2
Own provincial state	58	84	63	9	3	28
Other provincial states	0	2	3			
National (prince / king / emperor)	0	3	21	0	2	18
International	0	0	8	0	0	27
Religious institutions	0	0	0	7	1	1
Other, not yet identified	3	10	5			

Table 2. Specification of international investments (public debt), 1750-1800 Maassluis

Issuer	Type	First inv.*	N loans	N households	Median interest
England					
King of England	bonds	1758	1	1	
King of England	life annuities	1760	1	1	
Parliament	actions	1771	1	1	
Bank of England	actions	1777	13	11	3
France					
King of France	annuities	1777	4	2	5 reduced to 2,5
Republic of France	annuities	1798	4	2	
Austria					
Emperor	bonds	1755	8	4	
Bank of Vienna	bonds	1783	1	1	
Silesia	bonds	1754	3	3	
Silvermines in Silesia	bonds	1796	4	1	
Russia					
Emperor of Russia	bonds	1796	2	1	
Denmark / Norway					
King	bonds	1793	4	2	
King / tolls	bonds	1777	9	3	4,5
King / Schleswig-Holstein	bonds	1777	1	1	
German states					
Saxonia	bonds	1777	1	1	3
Leipzig	bonds	1781	2	2	
Bavaria	bonds	1781	1	1	
Prussia	bonds	1777	2	1	5
Hessen Homburg	bonds	1799	1	1	4
Spain					
Canal de Aragon	bonds	1777	5	3	6

* Year of the first inventory mentioning these assets (assets are older)

Table 3. **Specification of international investments (public debt), 1750-1800 Aalst**

Issuer	**N loans**	**N households**	**Median interest**
Denmark	8	3	4%
Bank of Vienna	21	8	4%
Hungary and Bohemia	3	1	5%
Sweden	5	3	4 - 5%