Economic inequality before the Industrial Revolution has not been a favoured field of study among economic historians. Some research has focussed on the 19th century, but rarely have attempts been made to dig into more distant past. This is surely due to the fact that interest in variations in inequality (of both income and wealth) has mainly originated from the well-known Kuznets’ hypothesis (1955). According to Kuznets, a clear pattern can be discerned: income inequality would be relatively low in pre-industrial societies, then would increase in the first stages of the industrialization, before later inverting the trend and starting to decrease, thus assuming a characteristic inverted-U profile. Even if Kuznets’ hypothesis was mainly concerned with income, it stands to reason that it can be applied to wealth, its concentration also following an inverted-U path during the Industrial Revolution as some empirical studies suggest (Lindert 1991).

While some important studies of the developments of inequality during Industrialization have been completed (Lindert and Williamson 1980 concerning the USA; Williamson 1985 concerning Britain), one can still entirely agree with what stated by Jan Van Zanden in 1995: that Kuznets’ inverted-U curve is under-explored at its extremes. The left extreme, that with which this project is concerned, is characterized by particularly slim data.

Jan Van Zanden himself led what is, to date, the most ambitious attempt to study long-term trends in inequality during the Early Modern Period. This study, focussed on Holland in the Netherlands during 16th-18th centuries, led to the formulation of the fascinating hypothesis that we could draw a “Super-Kuznets Curve” spanning four centuries, connecting “modern” and “pre-modern” growth, which would overall be associated with a long-term period of rising inequality, only followed by a downward turn in inequality as late as the twentieth century (Van Zanden 1995; Soltow and Van Zanden 1998). A Super-Kuznets Curve was presumably to be found in all other European economies experiencing significant growth during the Early Modern period.

The case of Holland led the proponent of this project to wonder what happened in Italy in that same period. While Holland, from the late sixteenth century and during the seventeenth, was probably the fastest-growing country in Europe, it is widely held that during the Early Modern period Italian states lost their core position in European economy and became increasingly peripheral. Even if older, and excessively pessimistic, views have recently been challenged (Malanima 2006a; Alfani 2007; 2010c), it is also clear that by the 19th century Italian economies had declined.

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The research led in the context of a Bocconi Ricerca di Base (2006-2008), coordinated by the proponent of this project, produced evidence suggesting that a negative relationship between economic decline and inequality does not exist in Early Modern period, at least as regards wealth. On the contrary, inequality increased during 16th and 17th Century even where economy was declining: a process seemingly rooted in demographic and institutional factors (Alfani 2010b). To generalize this result, which presently concerns a limited number of case studies, a grand database of information about Italian economic inequality and concentration of wealth since the late Middle
Ages to around year 1800 would be needed. Building such a database requires a lot of effort and funds, which the proponent of this project intends to ask as a European Starting Research Grant in the coming Autumn.

The current proposal to IGIER is twofold in nature. First, it is a pilot project aimed at developing research methodologies (data collection; database construction; data analysis and interpretation) later to be incorporated in the aforementioned European project. Secondly, it is concerned with a more limited objective: testing, for Lombardy, the hypothesis formulated on the grounds of case-studies related to Piedmont (Alfani 2010a). This hypothesis suggests that the pandemic of plague that struck Northern Italy in 1629-30, by far the greatest after the Black Death of the fourteenth century killing around 1/3 of the total population (Alfani 2010c), did not have a lasting influence on general levels of inequality. This is, apparently, in striking contrast with a classic hypothesis, originally formulated by David Herlihy, according to which the Black Death of 1347-49 introduced great wealth inequality, up to the levels still common in the early modern period, causing a long-lasting change in an earlier situation in which property was more equally distributed (Herlihy 1978).

The Black Death however not only was the first of the big plagues, but also the most terrible and the one which caused the greatest stress to social structures. It has been recently suggested, by Franca Leverotti (2007), that as a reaction to the kind of damages caused by the plague to property structures, Italian families of the fifteenth century started making use of social and juridical institutions aimed at preventing dispersion of patrimonies such as the fideicommissum (see also Cohn 1992). Their aim was to prevent the short term effects of the Black Death, very egalitarian given that the law favoured partible inheritance among sons (with daughters penalized, but entitled to a share of the inheritance). Partible inheritance, however, in the medium term made patrimonies fragile and favoured deprivation of many families in favour of a few, lucky ones: changing deeply the patrimonial asset and causing an high degree of concentration of total wealth. In a recent article published on Population Studies, the proponent of this project suggested, on the ground of new data collected in the archives, that truly egalitarian effects of the epidemic were counteracted by precisely the kind of juridical institutions mentioned by Leverotti. For this and other reasons, the levels of inequality (of wealth) preceding the crisis were quickly restored (in about a year).

To strengthen and generalize this conclusion, a further test is needed, on a different and possibly larger area. If the hypothesis is confirmed, we will have to conclude that apparently anti-egalitarian social and juridical institutions had the effect of protecting social and economic systems from the kind of “inequality boom” suffered by Italy and probably most of Europe after the Black Death. Lombardy seems the perfect area to study, for a number of reasons among which: 1) the economic relevance of the region, which in the first centuries of the Early Modern period was still one of the most advanced of Europe (like Holland: which allows for easier comparison with Jan Van Zanden’s case study); 2) the severity with which it was struck by the 1629-30 pandemic; 3) the quality of the archival data; 4) the almost entire lack of information for the region. While for Piedmont, Veneto and Emilia-Romagna some data has been collected, mainly by the proponent of this project or in the context of research projects led by him, practically nothing is available for Lombardy.

The ambition of studying general levels of economic inequality focussing on wealth, and not on income, needs to be explained further. I already noticed that the existing literature suggests, at least for the period preceding the middle of 19th century, that income and wealth went through the same “kuznetsian” dynamics (Lindert 1991). For the late Medieval and Early Modern period, given the serious lack of reliable sources about income and the relative abundance of sources regarding wealth, which exist for most communities, both rural and urban, and which have similar or at least comparable characteristics across communities and states (Alfani and Caracausi 2009), focussing on wealth instead than income is practically a forced choice. Furthermore, in pre-industrial societies
wealth was fundamental to the production of income given that ownership of land was the main factor defining how the total product was distributed (Alfani 2010b). Lastly, given that the main research question that this project will tackle directly concerns patrimonies and how they were transmitted through severe mortality crisis, wealth (and in particular what was, in pre-industrial societies, its main component: real estate) is actually what we need to consider.

Sources and methodology for data collection

The reason why economic inequality in the Late Medieval and Early Modern period is an almost uncharted territory, is probably the scarcity of data available, that in its turn can be explained with the complexity of the primary sources (such as the Italian estimi) that can be used to provide us with the relevant information.

As a matter of fact, in international scholarship a very limited amount of data has been repeatedly used, often disregarding crucial issues of actual comparability in time and space. This is especially the case of the Florentine catasto of 1427, first studied in the classic work of David Herlihy and Christiane Klapisch (1985) and often used to study distribution of property and wealth. While Herlihy and Klapisch made very clear that the catasto was an exceptional source, even by Florentine standards (notoriously very high when historical documentation is concerned), their work has been unduly taken by others as representative of a general “Italian”, sometimes even “European”, situation. However, similar sources exist for most Italian cities. They listed, for each taxpayer, the share of wealth subject to taxation – the distribution of which, by and large, we can take as a proxy for the distribution of total wealth.

Given the lack of information about distribution of wealth in the past, we can expect that all new data on the topic will be very welcome to international scholars. Most of the resources asked for this project will be used to collect new data, resulting in a significant increase of the amount of information available on a relevant topic.

The database will be structured as such: for a number of selected communities, both urban and rural, information will be collected about inequality and population size (the latter being a key variable both in explaining the levels of inequality, and in measuring the impact of the plague pandemic), around crucial years: 1550, 1600, 1650 and 1700. This period covers entirely the phase of demographic growth that began after the end of the Wars of Italy in 1559 and was completed by the end of sixteenth century, the sharp decline due to the plague of 1629-30, and the phase of demographic recovery that took the rest of seventeenth century to be completed (Alfani 2007; 2010c).

For each community, the actual years considered will be chosen according to availability of archival data – meaning that, for example, the case of Piacenza could be analyzed by means of sources dated 1554, 1602, 1648, 1699. The closest possible years to the “theoretical” ones will be chosen, the only foreseeable exception being when a better source is available for a slightly removed year.

For each community and year, data on inequality will be collected, from the relevant estimi, at the level of individuals (the ‘individual’ in sources of this kind are actually taxpayers, i.e. heads of family. Households, then, are the unit of the analysis). This will always include the total value of the taxable wealth declared by each individual and, when available, also the value of different components (real estate, capital) of total taxable wealth, or other. Any information allowing to distinguish individuals according to social-economic group (for ex., profession) or status (for ex., citizens or simple residents) will also be collected, when available.

This information will be use to build synthetic measures of inequality, such as Gini or Theil, as well as standard deciles of wealth. These measures allow for comparison with other information available for different regions of North Italy. Given the character of “ground research” of the
project, data collection will take place in a way that does not hinder further exploration of the database in different directions.

Main objectives of the research project (summary)

Summing up, the main objectives of this research project are:
1) collecting new data in a field in which it is sorely missing;
2) reconstructing a picture of the general levels of economic inequality in Early Modern Lombardy (at the time, still one of the most advanced areas of Europe);
3) testing the hypothesis about the (lack of) influence of the worst demographic catastrophe of the Early Modern period on concentration of wealth and general inequality levels;
4) building a sample database to be used to formulate research hypothesis and to test methodologies (both for data collection, and for data analysis) later to be used for submitting a European Starting Research Grant project.

Output

The data collected will be used to write a new paper on the economic impact of the 1629-30 pandemic in Lombardy, particularly as regards distribution of property and wealth. A second paper, on economic inequality in Early Modern Italy (integrating data collected, for Piedmont and Veneto, in an earlier Bocconi Ricerca di Base project), is also a possibility. These papers will later be submitted to top journals of Economic History or Demography, such as the Journal of Economic History, Population Studies or Population and Development Review. In all the publications profiting from this data, the help received by IGIER will be duly acknowledged.

Among the outputs of the project, it should be included the fact that it also represents the pilot-project for a greater research effort. The experience made with the pilot project, and the first sampling of data it will produce, can surely be expected to strengthen the European Starting Research Grant application that the proponent of this project plans to submit the coming Autumn.

Funding

Most of the funds required will be used to pay a research assistant, charged with the data collection. A qualified person, knowledgeable of the archives and of the sources, is needed given the complex character of data collection in this specific field. The proponent of this project is sure, however, that finding such a person would not represent a problem.

The rest of the funds will be used for covering research travel expenses (to the archives and similar) of the proponent of this project; any fee or charge required for gaining access or reproducing archival sources; expenses and fees for attending conferences where the project results will be presented; submission fees for the outputs of the project; and similar.

| Research assistant (employed for about two months): | 3200 |
| Other expenses: | 1300 |
| **TOT demanded:** | **4500 Euros** |
Selected bibliography (including all cited publications)


