

## Money - Crisis - Conjuncture

**Veranstalter:** Faculty of Humanities, Charles University Prague

**Datum, Ort:** 11.05.2017–13.05.2017, Prag

**Bericht von:** Roman Zaoral, Charles University, Prague

The international conference „Money – Crisis – Conjuncture“ followed up to the previous meeting on medieval finance held in Prague in 2013.<sup>1</sup> Altogether, 21 papers were presented by researchers from 11 European countries. A broad geographical horizon together with the emphasis on the interconnection of history, economy and numismatics was one of the main aim of the organizer – Faculty of Humanities, Charles University, Prague. From a thematic point of view, the conference was composed of three interconnected fields: financial crises and debasement, debt burden and lending and the Little Divergence, including search for the roots of different development between the West and the East, the North and the South of Europe.

The keynote speech by PETER SPUFFORD (Cambridge) was aimed at the influence of crisis events on the state finance with special regard to the various forms of currency debasement. He also gave insight into the impact of a short-term and long-term currency depreciation on trade and particular social groups. Spufford's conclusions resonated with a number of follow-up papers relating to the question of financial crises. MARTIN ALLEN (Cambridge) examined whether debasement methods in the ancient and medieval worlds were response to crisis or cause of it. According to him, the practice and „economic theories“ of both periods did not differ much: the extent of coin debasement depended on and even constituted the power of political opposition. MARC BOMPAIRE (Paris) dealt with the massive debasement in France during Hundred Year War and particularly in 1417–1422. He stated that a significant increase in the number of mints churning out coins with a strongly reduced silver content caused the currency regionalisation. The financial problems of medieval France were also a subject of paper presented by NILS BOCK (Münster). He focused on the dis-

cursive strategies of different groups to deal with the economic outcomes and the distribution of resources. He showed that the economic downturn, monetary problems, and the lack of coins were not extrinsic factors but largely consequences of political decisions. Analysing and comparing the ordinance, issued by Philip the Good in 1437, with court accounts, EKATERINA NOSOVA (Saint Petersburg) illustrated how much the Burgundian court was forced to cut back on its expenses, including consumption and gift giving, during the 1435–1437 financial crisis.

The economist ROGER SVENSSON (Stockholm) dealt with a periodic re-coinage (*renovatio monetarum*) in medieval Sweden as a specific monetary tax which was applied for almost 200 years in the large parts of medieval Europe. He pointed out that the Swedish experience is very consistent with the theory according to which economic backwardness, limited monetization and separate currency areas in the 12th and 13th centuries facilitated re-coinage. With the end of periodic re-coinage, Swedish kings accelerated the debasement of long-lived coins, which continued until the beginning of the 16th century.

Some papers were dominated by serial history and quantitative methods. A young Portuguese scholar NUNO PALMA (Groningen) proposed two estimation methods directed at money supply over the long run: a direct method, which can be used to measure the value of government-provided, legal-tender coin supply, and an indirect method which relies on a combination of information about nominal GDP with an assumption regarding the evolution of velocity in time. This way he attempted to find out what was the value of coins circulated in England between 1270 and 1870, which aroused lively discussion. On the example of the traditional topics of English history (famine and Black Death), HELEN KILLICK (Reading) presented the results of the multi-year research of a three-member team following up the English property market between 1300 and 1500. On the basis of almost 24 000 transactions, geographically covered the majority of island, the authors exam-

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<sup>1</sup> See Roman Zaoral (ed.), *Money and Finance in Central Europe during the Later Middle Ages*, (= Palgrave Studies in the History of Finance), Basingstoke 2016.

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ined how the level of market activity differed in time. According to their findings, the market activity culminated after the Black Death in the 1350s when property prices slumped, which encouraged the wealthy strata of inhabitants, particularly from London, to buy up estates situated near the capital as investment. Moreover, the commercialization of market was growing in the 15th century because of a constantly increasing number of persons who repeatedly occurred in concluded transfers. At the same time a share in the collectively possessed estates was growing, which enabled a larger number of estates to be bought up and profit from speculations to be so on the increase. This way the authors unwittingly pointed out the change of investment behaviour patterns typical for financially adept persons.

The fact that recent crisis years became a noticeable impulse of economic research was manifested in the sophisticated paper of TONY MOORE (Reading), focused on the volume of unpaid private obligations and the risk of lending money in London in 1285–1363. Moore used the lists of obligations, dated back to these years, by means of which Edward I attempted to direct a practically unregulated credit market. King's attempts resulted in the protection of creditors, as is evident from the mentioned lists which enabled the unpaid creditor to apply for a sequestration of a debtor's estate. Moore also dealt with the social status of creditors and debtors and with the role of foreign financiers on the credit market. He showed that loans usually flew from home, mostly London wholesalers to smaller provincial merchants and craftsmen, while wholesalers gained their capital from foreign financiers.

To the contrary, two following contributions documented that a modern economic research does not need to be based on processing large quantities of data. JACO ZUIDERDIJN (Lund) justly attempted to reinterpret the so far unclarified and seemingly irrational steps of Haarlem councillors, responsible for the repayment of public debt. In spite of the fact that municipal liabilities reached in the 1460s an amount exceeding 140 per cent of total community income, local merchants did not take any action. According to Zui-

jderdijn, the councillors played a dangerous game in which they speculated on sovereign monetary policy in the process. They exposed themselves and their creditors to fluctuations in the exchange rates between silver and gold coins, which initially caused the reduction of their real 'interest payments' due to the ongoing debasement of silver coins, and thus allowed them some breathing space. However, when the sovereign decided to revalue silver coins in 1489, Haarlem and other towns in the county of Holland unexpectedly faced much higher expenses, and defaulted. Verifying the validity of Epstein's thesis according to which economically developed countries are endowed with adequate political (centralization) and market institutions, MIKOŁAJ MALINOWSKI (Lund) paid attention to the Little Divergence on the example of Poland as one of the most decentralized countries in Europe. By looking at annual rye prices in seven different Polish cities, he constructed a panel of 15 city pair price gaps and regressed it on parliamentary activity and a range of control variables. He proved that the Polish Parliament – when it was active – mitigated transaction costs within the country. Conversely, when Parliament was paralyzed, the Polish rye market disintegrated. The periods of commodity markets integration and disintegration coincided with changes in GDP and the intensity of serfdom. On the basis of these findings, Malinowski suggested that different trends in development of political and market institutions could have been one of the drivers of the Little Divergence within early modern Europe.

Special attention was also paid to other countries of Central and Eastern Europe. Analysing the merchant book of Johan Pyre, written in Danzig between 1421 and 1455, ANNA PAULINA ORLOWSKA (Warsaw) focused on short-term debts in the life of late medieval merchants in Prussia and Greater Poland. She examined the influence of trust on loan rates and on the use of gold and silver coins as well as the earliest examples of using promissory notes between partners within the Hanseatic League. The comparison of both regions proved that financial conditions in Greater Poland were completely different: a share of short-term debts in the town

books was much higher there than in the cities of the Hanseatic League. Orłowska thought about the reasons for this situation and tried to explain to what extent it was the consequence of lacking literacy, capital and trust or rather of the different forms of trade and to what extent it was related to the increasing density of the network of annual fairs. The Polish archaeologist and numismatist BORYS PASZKIEWICZ (Wrocław) acquainted participants with a complicated monetary situation in Silesia during the first half of the 15th century. He argued that Silesian dukes and royal officers were forced to run their mints in order to pay mercenaries to defend the country against the Hussite invaders. As a result of that, local mints began to compete against each other in silver to strike small hellers, which accelerated debasement. SIMON ZSOLT (Tirgu Mureș) paid attention to the 1521–1525 currency debasement in Hungary how it is documented in the accounts of the Zagreb Mint. He also presented his town account-based analysis which allowed him to follow up how this debasement manifested itself in the evolution of prices, wages and taxation in Transylvania. To the contrary, the contribution of BALÁZS NAGY (Budapest) did not examine any specific question; it rather outlined the economic transformation of fourteenth-century Hungary in very general historical and demographic context. A much more thoroughgoing paper presented by MILOŠ BOŽOVIĆ (Belgrade) was directed at the Balkans. On the example of changes in yields on perpetual bonds issued by the Venetian state, he documented that the large increase in debt servicing costs during the 15th century can be associated with an abrupt halt in supply of gold and silver from Serbia and Bosnia, mostly a consequence of the Ottoman expansion. At the same time he took into consideration other explanatory factors, such as the mean reversion of nominal yield, the real GDP growth and military conflicts.

Five papers were presented by Czech, mostly young historians. ROMAN ZAORAL (Prague) dealt with the management of papal collections in Central Europe with the aim to show how the concentration of papal collections at the court of Bruno of Schauenburg, Bishop of Olomouc, in the early 1260s

stimulated long-distance trade in this Moravian city, as is evident from the archaeological finds of Venetian grossi and glass. Analysing the manorial rentals, customals and accounts of Bohemian origin, JAN ŠKVRŇÁK (Brno) approached a late medieval castle as the recipient of both monetary and labour feudal rent and showed that the system ranged from enforced self-sufficiency to relatively free market within feudal conditions. Referring to the Olomouc Jewry Register (*Liber Iudeorum*) from 1413–1420 (1428) and some charters, TOMÁŠ SOMER (Olomouc) attempted to determine the conditions of Jewish loans, such as their regulation, interest rates, the size of loaned sums and the social status of debtors. Craft guilds in Central Europe, particularly in Prague, during the medieval and early modern period were a subject of a paper given by DAVID DOLEJŠÍ (Ústí nad Labem). In agreement with the theory according to which the rise, spread and fall of guilds was a result of mutually beneficial bargaining between local craftsmen and their feudal rulers, he highlighted a trade-off between a number of taxpayers and the amount of taxes on one side and the ability of craftsmen to generate high enough collusive profits to compensate rulers for exclusive rights on the other. Comparing accounting systems in late medieval and early modern Europe was a paper topic for PAVLA SLAVÍČKOVÁ (Olomouc) who dealt with question whether the use of administrative (simple) accounting could have had a genuine impact on the economic growth of the Czech lands.

The conference was of benefit to all participants. It was characterized by friendly and stimulating atmosphere as well as by lively talks about innovative methods in economic history. Selected contributions presented here will be again published in the *Palgrave Studies in the History of Finance*. The next conference on the history of finance will take place in Prague in 2020.

#### **Conference Overview:**

Iva Holmerová (Prague): Greeting

*Keynote speech*

Peter Spufford (Cambridge): Financial crises in late medieval Europe

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### *Session I: Financial crises*

Martin Allen (Cambridge): Debasement in the ancient and medieval worlds: response to crisis or cause of it?

Marc Bompaire (Paris): The financial crisis of 1417–1422 in France: a story of high inflation  
Ekaterina Nosova (Saint Petersburg): Between wealth and economy: The court of the Dukes of Burgundy during the financial crisis (1435–1437)

### *Session II: Prosperity and crisis*

Roger Svensson (Stockholm): The search for seigniorage: periodic re-coinage in medieval Sweden

Balázs Nagy (Budapest): Crisis, prosperity and commercial contacts: The case of fourteenth-century Hungary

Borys Paszkiewicz (Wrocław): A war debasement in Poland and Silesia in the second quarter of the fifteenth century

### *Session III: Money supply*

Nuno Palma (Groningen): Reconstruction of money supply over the long run: The case of England, 1270–1870

Nils Bock (Münster): The kingdom of a „counterfeiter“: The place of money in France under Philipp IV

Roman Zaoral (Prague): The management of papal collections and long-distance trade in the thirteenth-century Czech lands

Jan Škvřák (Brno): Late medieval castle as a centre of money flow

### *Session IV: Debts and default rates*

Tony K. Moore and Miriam Marra (Reading): Debt and default in medieval England: Assessing default rates and credit risk factors from the London recognisance rolls, 1285–1363

Anna Paulina Orlowska (Warsaw): Debt in the life of late medieval merchant in Prussia and Greater Poland

Miloš Božović (Belgrade): My ships come home a month before the day: Venetian public debt servicing and precious metals from the Balkans

### *Session V: Market and monetary policy*

Helen Killick, Chris Brooks and Adrian Bell (Reading): The English property market,

1300–1500: a reappraisal

Jaco Zuijderduijn (Lund): Incentives and interests. Monetary policy, public debt, and default in Holland, c. 1466–1489

Mikołaj Malinowski (Lund): The power of consensus: Parliamentaryism and market integration in Poland, 1505–1772

### *Session VI: Taxes, loans and accounting*

Simon Zsolt (Tirgu Mureș): The 1521–1525 currency depreciation in Hungary and its impact on prices, wages and taxation: The case of Transylvania

Tomáš Somer (Olomouc): Jewish loans in late medieval Moravia

David Dolejší (Ústí nad Labem): Taxation and collusion in Central Europe: The rise, spread and fall of craft guilds

Pavla Slavíčková (Olomouc): The influence of the accounting system on economic growth. Contribution to the history of accounting in the Czech lands in the early modern period

### *Summing up*

Peter Spufford (Cambridge): Late medieval financial crises and the Little Divergence: possibilities, limitations and directions for future research

Tagungsbericht *Money - Crisis - Conjuncture*. 11.05.2017–13.05.2017, Prag, in: H-Soz-Kult 15.11.2017.