THE ECONOMY OF RENAISSANCE ITALY

The Preconditions for Luxury Consumption

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The Renaissance has not been a very useful concept for organizing the materials of the economic history of Italy. Given the current state of the scholarly literature, we can talk about a "Renaissance economy" only in the obvious sense that economic activity was going on at the time. No one has shown how the term helps clarify structural, technological or any other kind of change the economy might have undergone, or indeed whether any such changes even took place to a significant degree during the period. For all the scholarship that has been expended on particular problems, economic historians have not generally been interested in looking at the period as a whole: medievalists find the mid-fourteenth-century crises — demographic catastrophes and banking failures — a convenient place for concluding their account of the commercial revolution and urban economic growth, and modernists pick up the story with their concern about why Italy got left behind in the rapid expansion of the European economy from the sixteenth century onwards. What happened in between is not very clear, and there certainly is no agreement on the overall performance of the economy.

Yet, in at least one way it is possible to talk about a Renaissance economy. If any distinctive economic activity marks the period, it is conspicuous consumption. The increased production of art, and of luxury goods in general, is one of the most characteristic features of the Renaissance; and indeed it is at this time that art created consciously as such emerges as a distinct category of goods. The kinds of objects we today call art proliferated boundlessly, showing up in all walks of life, secular as well as religious, and they added up to a major change in the history of style. Even if there had been no stylistic innovation, however, all this consumption would be a notable phenomenon simply as economic activity: had palaces and churches, villas and gardens, sculpture and painting, domestic and liturgical furnishings all been produced in the traditional medieval style, we would still be confronted with an extraordinary abundance and variety of goods. Although the world has become infinitely more cluttered since the Renaissance, an argument can be made that modern consumer society, with its insatiable consumption setting the pace for the production of more objects and changes in style, had its first stirrings, if not its birth, in the habits of spending that possessed the Italians in the Renaissance. This increase in consumption is all the more surprising in an economy that had undergone a drastic reduction of population and at the same time seen a marked rise in the cost of labor. In short, as much as anything else, this demand signals much of what is new about the Renaissance and what sets Italy off, economically as well as culturally, from the rest of Europe at the time.

The measure of the economic importance of this luxury consumption can be taken in the widespread view that such a massive reappropriation of resources actually accounts for the decline of Italy. What appears to have been the diversion of so much wealth from investment has naturally aroused the suspicion of the economic historian about the health of the economy: according to Ruggiero Romano, summing up the received wisdom in one of the most recent surveys of the period, this spending put a "veritable brake" on the economy.[1] Just how the brake worked, however, is not so clear: on the one hand, we have hardly any economic studies of luxury production, and on the other, no one really agrees on the decline of the economy — when exactly it took place; what kind of regional, sectorial or even social variations it took on; or whether "decline" means relative or absolute change. In this historiographical situation we are simply not in a position to know just how the prosperity of the luxury sector fits into our picture — whatever this may be — of the general performance of the economy. In short, economic historians have taken the relation between the economy and Renaissance culture for granted in the fervent conviction — not altogether in the spirit of the foun-

[1] R. Romano, "La storia economica. Dal secolo XIV al Settecento", in the Einaudi *Storia d'Italia*, Turin, 1974, II, pt. 2, p. 1865.

ders of what has perhaps not so inappropriately been called the dismal science — that this kind of consumption is somehow nonproductive, and even wasteful, and that the corollary of this axiom, one way or another, is economic decline. But no one has worked all this out as a historical process, let alone gone on to respond to Frederic Lane's appeal, of over a generation ago, to examine the relation between "consumption and economic change".[2] In the meantime, the Renaissance world of goods continues to loom large in the economic historian's view of things — but as a vast wasteland of spending, unworthy of further exploration.

What gave rise to this world of goods in the first place has aroused even less interest. On the demand side we have done little more than wonder where the money came from to finance such extravagant expenditures. One explanation is the so-called "inheritance effect" of the Black Death, by which is meant the presumed hedonistic spending of the greater wealth enjoyed by the survivors of the devastating plagues of the fourteenth century. A more popular explanation, however, is the so-called Lopez thesis: economic "hard times" discouraged men from business ventures and thereby released more wealth for consumption, which was in effect a kind of "investment in culture" to achieve social status by men whose economic status was threatened. This notion, tossed out by Robert Lopez in a public lecture a generation ago, has been inflated to "thesis" status not because he or anyone else has elaborated on any aspect of the proposition but rather because it has provided a convenient and congenial slogan historians have grasped (for lack of anything else) to explain this major change in men's economic behavior.[3] The historiographical phenomenon of the

[2] F. C. Lane, "Consumption and Economic Change", *The Journal of Economic History*, XIV, 1955, pp. 107-109.

[3] R. Lopez, "Hard Times and Investment in Culture", first published in *The Renaissance: A Symposium*, New York, 1953. Subsequently Lopez defended this position only once, in a brief article written with H. Miskimin in *The Journal of Economic History*, XIV, 1962, pp. 408-426; and this prompted a reply from C. Cipolla, *ibid.*, XVI, 1964, pp. 519-524 (with a rejoinder from Lopez, pp. 525-527). Lopez' lack of interest in the period after the mid-fourteenth century, however, is repeatedly expressed in his interview with M. Berengo, ed., *Intervista sulla città medievale*, Bari, 1984. See also S. Worms, "Il problema della 'decadenza' italiana nella recente storiografia", *Clio*, XI, 1975, [illegible]

extraordinary success of such a catch-phrase is itself an indictment of historians for our failure to come to grips with a central problem in Italian Renaissance studies.

Demand, however, is not something economic historians have been very comfortable with. Given the economist's preoccupation with production, we characteristically see things from the supply side and take demand for granted. Demand is usually explained by needs and taste, neither of which presumably lends itself to economic evaluation. The concept "needs" implies a distinction between necessities and luxuries, the tendency being to take life's necessities for granted and to dismiss luxury as wasteful from the economic point-of-view; while as for taste, there is, of course no accounting for it. To raise the subject of demand at all is to threaten to open a Pandora's box full of problems related to culture understood in the broadest sense, problems that would have the economic historian chasing in many different directions and much beyond the pale of his scholarly expertise.

Even taking demand for granted, however, it ought to be possible to study instead the economic structure through which it operates. Whatever its wellhead, demand has somehow to operate in the marketplace: its path there follows the course made possible by the economic system, and once there it is conditioned by the realities of the marketplace. The vigor of any market depends, first, on the amount of wealth available for spending and, secondly, on the structure of that wealth — that is, on its distribution, which determines the number of consumers and the level of their consumption, and on its redistribution or fluidity, which determines the process by which demand is renewed and therefore sustained.

The proposition here will be that, looked at in these terms, Italy enjoyed extraordinarily favorable conditions for the development of a luxury market, and these conditions go a long way toward an economic "explanation" of the Renaissance not as a new period in the history of taste but simply as a consumption phenomenon. Certain structural features of the Italian economy, in other words, help explain why demand was so vigorous and why, therefore, cultural production flourished. In any case, a

PAGANO DE DIVITIIS, "Il Mediterraneo nel XVII secolo: l'espansione commerciale inglese e l'Italia", *Studi storici*, XXVII, 1986, pp. 109-148.

survey of these conditions on the demand side of the luxury market touches on many features of the Italian economy that have been obscured, if not altogether ignored, in the endless and largely fruitless debate about how "hard" the times were or were not. On this ground alone it seems worthwhile to shift attention from the performance of the economy to its structure.

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That behind the extraordinary consumption that marks the Renaissance there was the immense wealth of Europe's most developed economy goes without saying. What gets lost in the old debate over the problem of whether at the time the Italian economy was prospering or contracting, however, is that the logic of the economic system argues for the continual accumulation of wealth throughout the later middle ages regardless of the level of performance. Italy had a developing economy that grew by exploiting opportunities in the relatively undeveloped north and eventually, too, by taking advantage of decline in the east. This system was oriented toward the export of goods and services and had built into it a favorable balance of payments. "Let us face it", argued a Florentine in the eighteenth century, looking back on better times, "our economy rested on a monopoly. We waxed rich thanks to the barbarous ignorance and indolence of others..." [4]

The strength of this economic system is well understood. In the commercial sector Italians monopolized the trade of those luxury items imported from the Near East and distributed throughout all of northern Europe; and they controlled both the maritime transport of these goods and the distribution network. With the possibility of transferring credit throughout this vast commercial network, extending across the Mediterranean and into all of western Europe, the Italians also became Europe's pre-eminent international bankers, and they used the resources of this sector for the further extension of their activity into government finance. Finally, Italy had a strong industrial sector oriented toward the production of luxury goods, above all textiles, for export to northern Europe and eventually, by the end of the fifteenth cen-

[4] Quoted in D. SELLA, *Crisis and Continuity: The Economy of Spanish Lombardy in the Seventeenth Century*, Cambridge, Mass., 1979, p. 104.

tury with the establishment of the Ottoman Empire, also to the eastern Mediterranean. Production of luxury textiles picked up in many northern Italian towns in the sixteenth century and production levels remained high for most of that century. For the sake of the argument here, the much-debated problem about the performance of any of these sectors in the Renaissance — whether commerce, banking and industry were declining or prospering — is of secondary importance: the point is that as long as they were operating at all, they were bringing profits into Italy, thereby contributing to a favorable balance.

This situation can be put into relief by looking at the debit side of the balance. The history of the development of textile production — both wool and silk — shows how the industry improved its competitive advantage in local markets against imports from abroad, how it expanded its own markets abroad, and finally how it reduced its dependence on raw materials imported from abroad. By the end of the fifteenth century the wool industry was producing for important new markets opened with the establishment of the Ottoman Empire; and if less wool came from far-away England and more from Spain, central and southern Italy were also more important as sources for supply. The reversal in the silk market was even more complete. Whereas earlier Lucca was the only major center of production and raw and finished silk came into Italy from the east, in the fifteenth century silk cloth was being manufactured in numerous Italian towns for markets abroad all across Europe and in the Near East and silkworm culture was being vigorously promoted throughout Italy, in both the north and the south. The less familiar history of cotton, which has finally been told by Maureen Mazzaoui,[5] is only slightly less a success story. If Italy was never able to supply her cotton industry with raw materials (except for what came from Venetian imperial possessions), cotton cloths nevertheless became a major export, with markets eventually including, besides Europe, even north Africa and the Near East, whence the raw material came. Germany presented the only major competition from abroad, but much of its supply of raw material actually came by way of Italy.

[5] M. Mazzaoui, *The Italian Cotton Industry in the Later Middle Ages, 1100-1600*, Cambridge, 1981.

All these textile industries, finally, were further strengthened at the end of the middle ages by the cultivation of woad in Lombardy, the opening of the alum mines at Tolfa, and the increased production of other dyestuffs in Italy itself, so that the sector largely freed itself from dependence on foreign sources even for these secondary raw materials.

Looking over the international scene of Italian trade at the end of the fifteenth century, it is not easy to find products of value that were imported in notable quantity. Raw materials from the north, like timber, furs, pewter and fish, could hardly have added up to very much value; and luxury goods were vitually non-existent. From the east the Italians took their share of all those exotic raw materials — above all pepper but also other spices, as well as perfumes and precious and semi-precious stones — that had always been staples in the international luxury market as they passed through Italy on their way to the north; but many of the manufactured items — paper, glass, ceramics, silk — that had earlier been part of that trade Italians learned to produce for themselves and eventually exported to the Near East.

Moreover, it is a notable — but often overlooked — characteristic of the expanding world of luxury goods that constitutes the material embodiment of Renaissance culture that it was not supplied by imports. Demand, directed by the desire for many new kinds of objects and increasingly conditioned by a highly self-conscious taste, generated productive forces within Italy itself; and by the sixteenth century, except for a few items, like tapestries from the north and carpets from the east, there were hardly any luxury goods manufactured abroad that Italians wanted. The rise in luxury consumption, in other words, did not mean a loss of wealth from the economic system; rather, it was a stimulus to further internal development — and in no place more than in the art market.

The accumulation of wealth in Italy in the fifteenth and sixteenth centuries cannot, of course, be measured in precise terms. The eventual evaluation of the balance of payments will have to deal with what John Day, with reference to the unfavorable balance of Europe as a whole with the Near East, has called "the great bullion famine" at the end of the middle ages. It is generally recognized that at this time European countries had problems related to the supply of gold and silver, but there is no agreement whatsoever on what the causes of these shortages were, exactly when they occurred, how serious they were, or how they fit into the general economic situation. The picture we currently have of the problem has been sketched by scholars who have concentrated on England, France, and the Low Countries; and seeing the bullion drain polarized between northwestern Europe and the Near East, they have not asked what happened to it in Italy, which obviously lay in the path of the flow. Yet, it seems reasonable to suppose that, given the nature of their trade, the Italians skimmed off something of this wealth as it passed through their hands. The favorable balance Italy had with the north was noted by Raymond de Roover, who saw the problem Italians had in knowing what to do with the profits they accumulated in an area where there was little they wanted to buy, and by Harry Miskimin, who has observed the flow of bullion from the north into Italy. Evidence from Florence suggests anything but a shortage of bullion: besides the transport of it from the north into the city, it was on occasion imported also from the east in exchange for manufactured goods, and gold showed up even in the hands of ordinary working men — including unskilled laborers — who were commonly paid cash in florins.[6]

Trade was not the only activity that brought wealth into Italy. So did war. Throughout the middle ages Italy was a focus for the political ambitions of northern rulers, who drained off resources from their homeland to pay for their ventures. For some of the Holy Roman Emperors, from the Ottonians through the Hohenstaufens, Germany served as little more than a tax base to finance their ambitions in Italy. The Angevins used their considerable wealth in France to finance their move into the Kingdom of Naples

[6] A recent survey of the problem of the bullion flow, with full bibliographical material, is J. Munro, "Bullion Flows and Monetary Contractions in Late-Medieval England and the Low Countries", in J. F. Richards ed., *Precious Metals in the Later Medieval World*, Durham, 1983, pp. 97-158. For the earlier period in Italian history, see D. Abulafia, "Maometto e Carlo Magno: le due aree monetarie italiane dell'oro e dell'argento", in the Einaudi *Storia d'Italia, Annali*, VI, Turin, 1983, pp. 223-270. There is much information on this subject in F. C. Lane and R. C. Mueller, *Money and Banking in Medieval and Renaissance Venice*, I: *Coins and Moneys of Account*, Baltimore, 1985.

in 1268; and once there, their marriage into the Hungarian royal family enabled them to tap the most important source for gold in Europe so that they could pay for their further military exploits in the south. When, in turn, the Aragonese came, first into Sicily in 1282 and then to the mainland in 1435, they had behind them the resources of their Iberian kingdoms, which included Barcelona, the only major European emporium of trade and banking in the Mediterranean outside of Italy; and wealth flowed into Naples once it became the capital of their new trans-Tyrranean empire. Moreover, all these foreign ventures in southern Italy in one way or another involved the papacy, whose vital interests were at stake; and entering the fray, the pope did not hesitate to tap the vast resources of the church all over Europe by declaring a new kind of crusade, now not in the Near East against infidels but in Italy itself against Christian enemies in the pope's backyard.[7] These financial efforts were a major cause of the tightening-up of the church's revenue-collecting mechanism. The Avignon papacy made continuing use of its bureaucratic grip on the church throughout Europe in order to amass resources for its primary objective during those years — the return to Italy; and the cost of the long, drawn-out campaign to carve out an independent papal state in central Italy was paid, in part at least, with church revenues from outside Italy. When, after 1494, Italy became the battleground for the major European kingdoms, more resources were poured into the country. In short, for over 400 years, from the twelfth century (and probably earlier) to the sixteenth century, foreigners' involvement, however unfortunate the political and military consequences, must have resulted in flows of some wealth into Italy.

It is very likely, too, that Italy actually profited from the eventual Spanish domination of much of the peninsula. The Genoese raked off considerable profits from their financial services to the monarchy in handling the transfer of American bullion to the north. Moreover, the Spanish regime, however oppressive it was, poured enormous sums of money into Italy; at least for Lombardy it is clear that not enough was collected locally to pay the expenses of government, with the balance having to be import-

[7] N. Housley, *The Italian Crusaders: the Papal-Angevin Alliance and the Crusades against Christian Lay Powers, 1254-1343*, Oxford, 1982.

ed. Finally, by bringing both Lombardy and Naples into the wider orbit of a world empire, Spanish occupation opened up new opportunities for internal economic development.[8]

Although trade and military activity have a long history that made the accumulation of wealth a continuing phenomenon, that process must have accelerated at the end of the middle ages. It was at this time when the major political events noted above occurred and when shifts in commerce and growth of local industries strengthened the balance of payments. Moreover, the fourteenth-century plagues, for all their devastating effects, left in their wake many fewer people to enjoy the ever-greater wealth. In any case, Italy had much less population than the great northern kingdoms, and her more vigorous economic development, concentrated as it was in Tuscany and the northern towns, surely meant higher *per capita* wealth. If all these factors could somehow be measured we might be able to show how wealth in Italy increased in a relatively short period of time — precisely the time when it began to manifest itself in spectacular luxury spending. In short, to explain where men got the money to finance their new spending habits we do not have to posit a withdrawal of wealth from investment nor in fact do we have to take sides at all in the debate over the performance of various sectors of the Italian economy that has distracted attention from the structural problems raised here. Given the nature of the economic development of Italy, finally, the accumulation of wealth there in its more liquid forms meant greater potential for its purchasing power and therefore higher effective demand.

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Greater wealth is only part of the explanation for the greater consumption of luxury goods. The vigor of demand was also dependent on the structure of wealth. That structure consisted in, first, its distribution, both geographic and social, and, secondly, a certain weakness or instability in its ownership that resulted in its fluidity or redistribution. A structural analysis of wealth in Renaissance Italy along these lines reveals: 1) that wealth was

[8] See, for example, SELLA, *op. cit.* (see note 4), and G. GALASSO, *Economia e società nella Calabria del Cinquecento*, Naples, 1967.

distributed among a large number of consumers for the most part concentrated in many urban markets; 2) that the ranks of these consumers were constantly changing so that demand was sustained at a high level; and 3) that the rich tended to become richer, which meant a rise in the level of individual spending. These conditions taken all together go a long way in explaining why Italy probably enjoyed the most favorable conditions in Europe for the development of a vigorous luxury market.

The distribution of wealth in Italy was largely determined by the political fragmentation of the peninsula into areas of widely varying economic development. Hence, no one capital city dominated as a governmental center that, like London and Paris, also tended to be the central market for the economic life of the country. Nor did any one city dominate the economic system. Between them Venice and Genoa enjoyed pre-eminence as ports, but neither had much importance as industrial and international banking centers, at least not before the sixteenth century; and the leading industrial and banking center, Florence, had by no means a monopoly in these sectors. Other towns, like Lucca, Milan and Bologna, had their particular economic activities of varying importance to the system as a whole. Rome had a unique economic position as the capital of an international ecclesiastical organization. Yet other provincial towns derived their economic vitality from the professionalization of war. These were the seats of independent *condottieri* who drained off the kind of wealth from the larger states that in the northern kingdoms remained confined to the political-military establishment therein. War, in other words, was an economic activity in Italy that redistributed wealth in a way that did not happen elsewhere in Europe; and its profits paid for much of the patronage in Ferrara, Mantua, Urbino and a host of smaller places. In short, the Italian economy for all its international orientation consisted of a complementary system of varied local economies.

The absence of any one dominant economic center and the fragmentation of the economy into a number of political entities are obvious-enough facts about the distribution of wealth in Italy. So too is the concentration of wealth in cities — but this observation has not always been understood in its fullest implications. Wealth in Italy was urban not just in the sense that it derived from those industrial, commercial and financial activities characteristic of the economic development of towns but in the sense that rural wealth, too, was largely in the hands of men who lived in towns. In the Florentine state at the beginning of the fifteenth century, for instance, almost two-thirds of total wealth was owned by Florentines, who constituted only about one-sixth the population; and in Lombardy a century later four-fifths of the land was in the hands of townsmen. This urban concentration of rural wealth followed from, on the one hand, the move by landowners into the towns during the early period of the commune and, on the other, the acquisition of land by the rising class of urban entrepreneurs as they reinvested their earnings. The former process alone, in fact, accounts for the economic vitality of many provincial towns, whereas the latter process — the purchase of land by townsmen — rarely led to the abandonment of the town for the country. It was otherwise in northern Europe, where land remained for the most part in the hands of men who lived in the country, whether older landlords who long resisted the move into the city or newer ones who abandoned the city for the country. Even in a highly urbanized region like Germany the wealth of the towns did not include much of the surrounding land.

What made Italy distinctively different from the rest of Europe, in short, was not just the growth of towns, with all the economic developments associated therewith, but the much greater concentration in towns of the wealth of the whole economy, rural as well as urban — and even in Italy, for all its economic development, agriculture remained the largest sector of the economy. This fact has been somewhat obscured in the current debate over the relative importance of capitalist and landed classes in the economic and social system of Renaissance Italy.[9] And yet, if demand itself is ever to be understood — apart from the economic structure it operates through, which is the subject of this essay — the analysis of the consumption habits of Italians will have to consider the differences in habits and mentalities not between a "bourgeoisie" and an "aristocracy" but between an elite that was entirely urban, whatever the nature of its wealth, and one that was entirely rural, like that in northern Europe. Travellers from both the north and the south clearly observed this difference at the time.

The shifting geography of Italian art, in fact, very much follows the movement, one way or another, of landed wealth into cities. In Tuscany and the north this process happened early on, during the formative period of the commune, when rural nobility was attracted into the centers of an expanding commercial economy. Elsewhere the appearance of some of the most important markets for the arts occurred at that moment when rural elites that had heretofore remained aloof from cities felt secure enough to make the move into them, thereby changing their way of life and injecting massive new wealth into the luxury market. Thus Rome became a great art center beginning in the early sixteenth century partly because the old feudal nobility, assured of the stability of papal government and the security of its own status, transferred its permanent residence there; likewise Naples took its turn on the stage of Italian art history at the end of the century, by which time the prestige and security of the Spanish regime induced the old feudal families to abandon their traditional strongholds in the countryside for residence in the capital; and Genoa experienced its great architectural transformation from the moment when its old commercial nobility finally pulled up its rural roots and became once and for all integrated into urban life. Throughout Italy in the sixteenth century the so-called "refeudalization" of the upper-class probably further concentrated wealth in the towns (for it certainly did not mean their literal "return to the land"), giving rise to those provincial markets where Lorenzo Lotto, the Bassano, Palladio and a host of other artists prospered.

Nothing like this massive infusion of rural wealth into cities occurred in northern Europe until the later seventeenth century. When the great landed nobility in England and France was finally attracted into the city, even if for no longer than the duration of the social season, its way of life there aroused demand in the luxury market for all those things associated with urban living that the Italians had long been enjoying. Since this market in both countries was largely concentrated in a single capital city, however, consumerism there went much beyond anything Italy ever experienced; and, in fact, the development, above all in eighteenth-century

[9] The literature on this problem can be approached through R. Bordone, "Tema cittadino e 'ritorno alla terra' nella storiografia comunale recente", *Quaderni storici*, LII, 1983, pp. 255-277.

London, of new commercial techniques by producers to get control of demand so they could arouse it yet further and direct it into specific channels, marks the real birth of modern consumer society as we know it today.

If the higher degree of the urbanization of wealth in Italy helps account for the earlier development there of a luxury market, it is in part because certain structural features within urban society also impinged on demand. First of all, in many of the major city-states the upper-class was not organized around a prince whose government skimmed off an inordinate share of the wealth to maintain a court, thereby heavily concentrating demand in a single agent and at the same time focusing on itself much of the consumption behavior of the upper-class. Some of the largest and wealthiest cities, like Genoa, Venice and Florence, were, of course, oligarchies with no formal court at all. When Venice extended its possessions on the *terraferma*, it left local urban oligarchies intact in cities like Verona, Padua, and Brescia rather than force a concentration of their wealth in the capital; and courts did not grow up around local representatives of the central government. When the Medici consolidated their control over Florence as dukes, their court remained largely a private affair, with much of the older upper-class not socially involved in it at all. In other places that on first glance appear to be organized on the monarchical principle, closer inspection reveals that the court did not dominate social life in the traditional way. In papal Rome the church was in a sense an oligarchy, with the courts of some of the cardinals, not to mention those of the great feudal families, at times being able to hold their own independently of the papal court. In the centers of Spanish rule, in Milan and Naples — two of the largest cities in Italy — the viceroys and governors, who came and went with great frequency and without any familial continuity, were hardly able to impose their courts on local social life in the way an independent prince might have done. In all these situations the upper-class was largely left to its own devices. Consumption habits were not dominated by a concern to play a role in court, and a court did not therefore shape and direct demand as it did in the more traditional feudal-type monarchies.

Hardly any precise data exists for assessing the degree of concentration of wealth in Italian cities. The best material comes from Florence; but the analysis of the 1427 Catasto by David

Herlihy and Christiane Klapisch, which sacrificed economic for demographic criteria, did not produce a very reliable wealth-distribution curve. Nevertheless, their data show that the richest one percent of the population possessed only one-sixth of the total wealth of the state — an extraordinarily low concentration as compared to what we know about other places: in England at this time it has been estimated that a mere 250 men owned one-fifth of the country's total acreage, by the eighteenth century the nobility in Europe (including Italy) possessed well over one-half of total wealth, and even today in the United States the richest one percent owns around one-fifth of total wealth.[10] There is no reason to believe that the distribution of wealth in Florence was much different in the merchant oligarchies of Genoa, Venice and other cities: except for the few men who were able to get hold of the finances of a state, businessmen did not operate through cartels, monopolies and other large-scale business organizations that might have facilitated larger concentrations of personal wealth. There are, of course, many difficulties in comparing wealth-distribution curves across time and space, and obviously much more comparative data will be needed before we can have a full picture of the situation in any one place.

Whatever the concentration at the top rung of society, wealth was widely enough distributed in Florence that the middling class of artisans — perhaps for the first time in the history of the west — began to show up in the luxury market. The considerable increase in real wages after 1348 put a larger share of wealth into their hands; and the number of highly skilled artisans increased with the growth of the luxury-crafts sector of the economy. In the fifteenth century Neri di Bicci's record book consists largely of his dealings with people more-or-less of his own class, and a century later Vasari tells us that some clients of the major artists of his day were men of this kind. It was, after all, a modest broker in the banker's guild who commissioned Botticelli's *Adoration of the Magi*

[10] P. J. Cooper, *Land, Men and Beliefs: Studies in Early Modern History*, London, 1983, pp. 17-19; S. J. Woolf, "Economic Problems of the Nobility in the Early Modern Period: the Example of Piedmont", *The Economic History Review*, XVII, 1964, p. 273 note; M. Schwartz, "Preliminary Estimates of Personal Wealth, 1982: Composition of Assets", *Statistics of Income Bulletin*, IV, no. 3, Winter 1984-85, p. 1.

in the Uffizi. The evidence of inventories across the fifteenth and sixteenth centuries confirms the growing quantity of furnishings, including art works, in the homes of Florentines well below the level of the patriciate.

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Whatever the diffusion of wealth throughout Italian society, mobility within the structure of that society assured its frequent redistribution. Some of this flow was generated by the inherent instability of the political system arising from what Burckhardt called the illegitimacy of power. New men were forever showing up on the political scene; and the emergence of the five major states and the establishment of the precarious balance of power in the mid-fifteenth century did not mean the immediate elimination of many lesser despots. The kaleidoscopic changes, especially in the Marches, the Romagna and Emilia, reflected the fluidity of power and therefore of wealth among these men, many of whom enjoyed their moment of glory in the annals of patronage. Mobility was also built into the structure of the church hierarchy, obviously a major group within the Italian elite. Since the pope and the cardinals, whose numbers virtually doubled in the sixteenth century, could not assert familial claims to their office, the immense wealth of the church was constantly plundered to benefit their families. The rapid turnover in the holders of these offices — there were eighteen popes in the sixteenth century in contrast to seven monarchs in France, five in England and the Empire, and four in Spain — and the lack of any dynastic continuity assured the rapid renewal of demand that is a major explanation for the extravagant patronage in the Holy City.

Finally, the mobility of wealth was inherent in an economic system largely based on commerce, finance and industry. In the business world fortunes came and went, new men were always showing up on the scene, and establishment figures were forever exiting. Something of this fluidity is reflected in the number of palaces in Florence that were built by new fortunes or did not get finished for lack of funds or passed into new hands with a change in fortune. Some of the most familiar names in the annals of business history — Andrea Barbarigo, Francesco di Marco Datini, Giovanni di Bicci de' Medici, Filippo Strozzi the elder — represented new

wealth if not new families. So long as men kept their wealth in business they could not assure the financial stability of their families, many of whose histories reveal how elusive permanent wealth could be in the early Renaissance; and in any case veritable business dynasties are not easy to find. Moreover, whenever businessmen shifted their investments to land, as they increasingly did in the sixteenth century, whether because (as tradition has it) they were losing their nerve and wanted to secure their patrimonies, or whether simply because (as recent scholarship is revealing) agriculture offered better prospects for profits, their "move to the land" left room for new men to take their places in the business world and try their hands at making their own fortune.

In short, Italian society was subject to a dynamic of change unlike that of any other in Europe. Elsewhere wealth was predominantly in land and therefore less subject to instability, it was largely in the hands of a closed cast that experienced less mobility, and it moved from one generation to another over well-charted and confined genealogical routes. Infusions of new blood occurred, and demographic and even political forces took their toll in the genealogical fortunes of the landed aristocracy; but while the cast of characters might thus change, the basic solidity of the structure remained unaltered. In Italy the political, economic and ecclesiastic elites were much more subject to turnover in their ranks, so that wealth flowed from one's hands to another's and kept getting spent over and over again. To the extent wealth was fluid, its redistribution in the hands of new men meant renewed demand and thereby a stimulus to the market.

This social structure tightened up in the later Renaissance. The expansion of the papal state eliminated a host of lesser despots in the Marches, Umbria and the Romagna; and the general pacification established by the presence of Spain rendered obsolete the class of *condottieri*. With the virtual freezing of the political order, elites, both oligarchical and courtly, consolidated their power by defining themselves legally and closing their ranks to outsiders. They adopted inheritance practices designed to perpetuate the wealth and status of their families, especially the imposition of ties of inalienability on their land and the limitation of marriage of younger sons to keep estates intact. At the same time more and more wealth became immobilized in land and removed from the vicissitudes of the business world, which in any case was rapidly eclipsed by the expanding capitalist economy of northwestern Europe.

If this tightening-up of the upper-class reduced the fluidity of wealth, it may also account for the marked tendency for the rich to get richer, especially from the sixteenth century onwards. Demography alone can probably explain the increased concentration in ever-fewer hands of the collective wealth of a class that had begun to close itself off and limit its reproduction. As landowners, from the feudal nobility of Naples to the urban rich in the north who were increasingly shifting their investments to land, they benefited from the rise in population, the price inflation, and the consequent lag in wages that took place in the sixteenth century, not to mention the mounting evidence from both the north and the south for improved agricultural productivity during this period. Moreover, the rich certainly profited from the political adjustments made in the wake of the Italian wars that left them with a much reduced tax burden and therefore more money for consumption. On the one hand, governments drastically reduced their military expenditures once the political situation had been stabilized by the dominant presence of Spanish power in Milan and Naples; on the other hand, princes like the grand duke of Tuscany who wanted to tighten their grip on the reins of power throughout their territories were wary of taxing the upper-class. Indeed, some governments, including the papacy and the regime in Milan, adopted fiscal policies that depended on borrowing from the rich rather than taxing them; by thus mortgaging the state to private interests, they opened up a new opportunity for securing patrimonies with an investment that could pay handsome returns. Whether, in addition, the greater wealth of the rich resulted from other kinds of economic change, and to what extent a few grew richer at the expense of the many, are questions that have yet to be researched.

In any event, it is a slightly observed phenomenon how much richer the rich actually became in the course of the Renaissance. In Florence, at the beginning of the fifteenth century, Francesco Datini and Palla Strozzi were in the very top ranks of the wealthy with fortunes of about 100,000 florins; at the end of the century Filippo Strozzi was twice as rich with a similar fortune, owing to the increased value of the florin in the local market; and by the seventeenth century a rich family like the Riccardi calculated its fortune in seven

figures, an increase in wealth that goes many times beyond the rate of inflation in the meantime. The Riccardi's extensive enlargement and sumptuous transformation of the Medici palace, in its day two centuries earlier the grandest in the city (if not in all Italy), is symptomatic of how grand life became for the rich in the course of the later Renaissance. Along with the scale of palaces, dowries are another indicator of the change in the level of private wealth: by the seventeenth century they could easily reach 10,000 to 20,000 florins and more, the amount of a major fortune a century-or-so earlier. Moreover, to judge from falling interest rates — what Carlo Cipolla has called the credit revolution — this abundance of capital found fewer outlets for investment: in some places structural barriers like those that have been studied in Venice and Naples probably discouraged any further investment,[11] and at any rate throughout the peninsula economic activity oriented to markets abroad was contracting in the face of foreign competition. In short, the rich spent more partly because they had much more to spend, and the ever-grander scale of their consumption has far-reaching implications for the history of culture over the period extending from the Renaissance to the Baroque.

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The luxury sector of the Italian economy came into its own during the Renaissance. It showed a dynamic capability for expanding the variety and quantity of its products and improving their quality, it drew almost entirely on the resources — both material and human — of Italy itself, and it had a not-inconsiderable success in extending its markets abroad. Finally, the luxury sector was less vulnerable to the changes that overcame the rest of the Italian economy in the later sixteenth and seventeenth centuries as a result of increasing foreign competition from abroad in the sectors traditionally dominated by Italy and the shift of the center of the European economy from the Mediterranean to northwestern Europe and the Atlantic. As the horizons abroad thus contracted and the Italian economic world closed in on itself, the luxury sector continued

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[11] R. T. Rapp, *Industry and Economic Decline in Seventeenth-Century Venice*, Cambridge, Mass., 1976, pp. 110, 117f., 121f.; P. Chorley, *Oil, Silk and Enlightenment: Economic Problems in XVIIIth Century Naples*, Naples, 1965

to flourish, feeding off all the conditions discussed in this essay. Growth of this sector had its limits, however: the market for these kinds of goods, for all the imagination that went into their production, must by its very nature have had a saturation point; and eventual economic stagnation precluded the penetration downward in society of a sufficient share of wealth so that the sector might have maintained itself by lowering the quality of its production to reach a wider market of a middling-class of consumers.

Nevertheless, the growth of this sector had far-ranging effects on the Italian economy and society. It may seem obvious that all the money spent, not only for architecture but for the furnishing of palaces and churches with everything from furniture and ceramics to painting and sculpture, added up to a considerable investment in human capital: there were more skilled laborers and a larger variety of skills as a result. Already by the end of the fifteenth century artisan society in a place like Florence was larger and more complex than it had been earlier, say at the time of Dante. But there is more to this development than a mere quantitative change. Many of these new skills required highly individual talents; and the high degree of competition in the numerous markets of Italy stimulated these producers to be innovative and original, so that they themselves could actually mold new taste. The economy thus saw the appearance of a sector that, however small, came to have built into it the capacity for renewing demand for its own production. In short, this sector on the one hand generated a tradition of craftsmanship that represented an extraordinarily high level of development of human capital, and on the other it generated a tradition of taste that itself became a cultural value impinging directly on demand. We have here what Sir John Hicks has recently called "social" or "cultural" capital; and this is the area where the economy of Renaissance Italy experienced substantial development.[12] We may regret that Italy did not participate in the world-wide expansion of the European economy in the sixteenth century, or, worse, that it did not undergo an industrial revolution

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12 Hicks discussed this concept in a paper, not yet published, read before the Accademia dei Lincei. I developed a similar notion about what happened to the Florentine economy in the Conclusion to *The Building of Renaissance Florence:*

in the Renaissance; but our regrets are no reason for ignoring the development of that sector that gave the Italian economy a highly distinctive character at the time as well as traditions — cultural and economic — that are still very much alive today, more so perhaps than in any other place.

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Why demand for art and the other luxury items we associate with the Renaissance arose in the first place, and how this demand shaped the growth of the luxury sector of the economy, are questions that lie beyond the scope of this discussion. Whatever its origins, however, demand was dependent on the level of wealth and operated in the economy by working its way through the structures of wealth; and the contention here has been that these conditions favored the development of a vigorous luxury market in Renaissance Italy. First, the general level of wealth was extraordinarily high due to the long cumulative advantage of a favorable balance of payments at the end of the middle ages; secondly, this wealth was widely distributed both geographically and socially and yet heavily concentrated in a large number of urban markets; thirdly, the political, economic and ecclesiastic elites were fluid, and the consequent social redistribution of wealth assured a constant renewal of demand; finally, the wealthy became much wealthier in the course of the Renaissance, especially in the sixteenth century. The timing of the Renaissance as a consumer phenomenon was very much a matter of the political situation — the emergence of strong oligarchical and despotic governments in the towns; the general, if precarious, stabilization of the political scene in the mid-fifteenth century; the success of the popes in establishing an independent state; and the overwhelming presence of Spain in the sixteenth century, which had its effect in freezing the political situation and thereby assuring stability, in radically transforming Naples into a significant new market, and in giving yet another infusion of wealth through use of the bankers of Genoa for the international transfer of bullion. Given these political developments, the analysis of the nature of wealth sketched out here goes a long way toward explaining the vigor of the luxury market, the geography of patronage (or the shifting of markets), and the duration of luxury spending, with its ever-greater extravagance from the Renaissance to the Baroque. Yet, we need to learn much more about all these things. What has been presented here is little more than a program for further research into structural features of the economy and society that, it seems to me, offers a better prospect than the old debate over how good or how bad the times were for learning something about the relation between economics and culture in Renaissance Italy.

Postscript

The author is grateful to the editors of *I Tatti Studies* for their willingness to include this article in the current volume. At the symposium on "Aspetti della vita economica medievale" where the paper was originally given, it was included in the session on economics and culture, and was therefore conceived as a consideration of problems that have implications beyond the realms of economic history. Thanks to the editors of this journal, the paper can now reach the wider scholarly public to whom it was originally addressed.

Since this is a general interpretative essay covering a long period of the economic history of a country whose historiography is highly regional, no attempt has been made to indicate the vast bibliography of the various subjects touched on in the discussion. Nevertheless, three of the general historiographical problems around which such a bibliography could be organized deserve some comment as constituent elements of the larger context for this discussion.

The first — and fundamental — problem, indicated in the text, is the state of the Italian economy in the period extending from the mid-fourteenth to the seventeenth centuries — whether it was prospering or in decline. The fact is that no one since Gino Luzzatto wrote his two surveys (1949-50) has provided us with a general economic history of Italy in this period;[13] even in the massive collective effort of the Einaudi *Storia d'Italia* (1974) the Renaissance appears as a great gap between the contributions of

[13] G. LUZZATTO, *Storia economica d'Italia*, vol. I: *L'antichità e il medioevo*, Rome, 1949; *Storia economica dell'età moderna e contemporanea*, pt. 1: *L'età moderna*, Padua, 1950.

Philip Jones and Ruggiero Romano. The problem is compounded by the lack of surveys for particular cities and regions and the failure of economic historians of these places to take the long view by extending their work over the entire period. Thus — to make reference to only three of Italy's greatest economic centers — economic historians of Renaissance Florence and Venice seldom push their research very far into the sixteenth century; whereas for Milan, which in contrast to these other places is better studied for the later period, this work seldom provides a background that extends earlier than the sixteenth century. In view of this situation, it is hardly surprising that we also lack any kind of comprehensive historiographical survey of problems and interpretations.[14] As a result of this state of affairs — and notwithstanding an immense, and growing, bibliography of studies of particular and regional problems, many of them of very high quality — we are as far as ever from a synthesis of any kind. It is true that much recent scholarship sees considerable vigor in the economy of particular regions throughout the sixteenth century; but it is most hazardous, if not simply irresponsible, for any scholar to take a position on the state of the Italian economy in general during the Renaissance, let alone go on to build other arguments on such a position. At any rate, the field badly needs the kind of reorientation that would undoubtedly come from the light a historiographical survey could throw on the situation.[15]

A second historiographical problem is the isolation of economic history from other fields in Renaissance studies. Economic historians themselves have to take much of the blame for this situation, since (even apart from their concentration on highly technical subjects) they tend to regard their subject as self-contained and seldom raise questions about the larger implications of their work. It is hardly surprising, therefore, that other historians ignore the

[14] The most recent general overview, which however is limited to Italian scholarship and surveys the entire history of Italy, is L. DE ROSA, "Vent'anni di storiografia economica italiana (1945-1965)", *Ricerche storiche ed economiche in memoria di Corrado Barbagallo*, Naples, 1970, I, pp. 189-250. Cf. note 3 above.

[15] Judith Brown, of Stanford University, is now preparing a historiographical survey of the major problems in the economic history of Italy through the entire period of the Renaissance.

subject: notice, for instance, how few books in economic history get reviewed in journals dedicated to Renaissance studies (and how few such books get reviewed at all in the Anglo-Saxon world, despite the healthy state there of Renaissance studies in general), and what inadequate attention the subject gets in historiographical surveys — even those for such major economic centers as Florence and Venice.[16] There may be — as observed at the outset of this essay — very real reasons for which economic history does not lend itself to the periodization that has given rise to the historical concept of the Renaissance, but that hardly justifies the isolation of economics from the life of the times.

A third historiographical context in which this article can be placed reaches far beyond Italy and beyond the Renaissance. This is the larger history of the emergence of consumer demand in the economic development of the west. This subject has long lurked behind explanations for the rapid growth of production that resulted in the industrial revolution, but only with the recent work of Joan Thirsk and Neil McKendrick in England has the subject come into its own.[17] Their use of phrases like "the consumer revolution" and "the birth of consumer society" for late seventeenth- and eighteenth-century England clearly indicates the thrust of this new approach, which is also being taken up by historians of other places in the same period.[18] The revolutionary change in consumer demand at this time naturally raises questions about the earlier history of the subject. The assumption behind this paper is, of course, that the material culture of the upper classes in Renaissance Italy marks a clear break from the middle

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[16] Note, for instance, the way the subject is treated by G. Brucker, "Tale of Two Cities: Florence and Venice in the Renaissance", *American Historical Review*, LXXXVIII, 1983, pp. 599-616; and by J. Grubb, "When Myths Lose Power: Four Decades of Venetian Historiography", *Journal of Modern History*, LVIII, 1986, pp. 43-94.

[17] J. Thirsk, *Economic Policy and Projects. The Development of a Consumer Society in Early Modern England*, Oxford, 1978; N. McKendrick *et al.* ed., *The Birth of a Consumer Society: The Commercialization of Eighteenth-Century England*, London, 1982.

[18] For example, R. Sandgruder, *Die Anfänge der Konsumgesellschaft: Konsumgüterverbrauch, Lebensstandard und Alltagskultur in Österreich im 18. und 19. Jahrhundert*, Vienna, 1982. Cissie Fairchilds, of Syracuse University, is studying the same phenomenon in eighteenth-century Paris.

ages. In other words, the Renaissance represents a distinct stage in the longer history of a dynamic that, despite its fundamental importance to the development of the European economy, is only now being discovered by economic historians for the first time since the work of Werner Sombart at the beginning of this century on luxury and capitalism. Consumer behavior, in any case, is a subject that compels the economic historian to look outside his discipline at some of the larger problems of cultural history — at the wellhead of demand and at the nature of material culture; and with a different perspective of this kind he can perhaps reorient his own research on purely economic problems to raise new questions that will — at last — get him out of the old historiographical rut and at the same time help bridge one of the greatest gaps that divide the disciplines in Renaissance studies.