
Free exchange Economics

Economic history

Plagued by dear labour

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This is the ninth post of Free exchange's series on economic history. A few previous blog posts can be found [here](http://www.economist.com/blogs/freeexchange/2013/09/economic-history) (<http://www.economist.com/blogs/freeexchange/2013/09/economic-history>), [here](http://www.economist.com/blogs/freeexchange/2013/08/economic-history) (<http://www.economist.com/blogs/freeexchange/2013/08/economic-history>) and [here](http://www.economist.com/blogs/freeexchange/2013/10/economic-history-0) (<http://www.economist.com/blogs/freeexchange/2013/10/economic-history-0>).

THE Black Death was catastrophic. Historians still disagree over the timing of the plague—but 1348–51 and 1361–2 were peaks for much of Europe. About a third of the European population perished.

Historians have also clashed over the plague's economic effects. Usually, people focus on the plight of peasants during and after the plague. There was a massive decline in the supply of labour. And basic economic theory suggests that as worker numbers declined, their wages and conditions would increase.

Medieval governments were certainly concerned about the growing power of labour after the first wave of deaths. In England, the Statute of Labourers, first proposed about a year after the arrival of the Black Death in 1348, fixed wages at their 1345 level. A French statute passed in 1351 tried much the same thing. And after a workers' uprising in 1381, English employers clamoured for even more restrictive legislation.

The upper strata of 14th-century society were concerned that the surviving workers were exploiting their privileged position. Peasants were getting ideas above their station. In about 1378 a friend of Geoffrey Chaucer, John Gower, reminisced about the good old days, before the Black Death. He complained that “labourers of olden times were not accustomed to eat wheat bread [...] their drink was water [...] clothing was plain grey. Then was the world of such folk well-ordered.” People felt as though a disconcerting economic change was afoot.

But quantitative research has complicated the picture of what really happened. After 1348–9, money-wages rose as the bodies piled up. But the cost of living grew. According to Helen Robbins, writing in 1928, during the plague “grain rotted in the fields for want of men to harvest it”. And there was insufficient labour to plant the next year's crop. Food supply was squeezed.

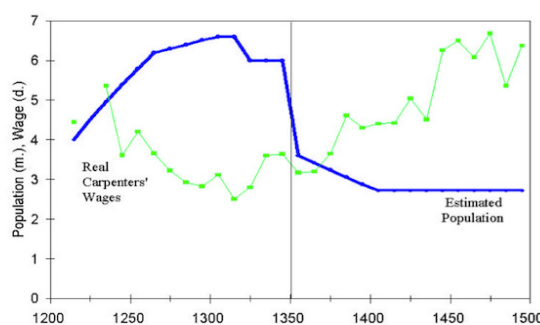
In England, according to Robbins, the price of wheat increased by about 150% from 1348 to 1351. France fared worse—just before the Death, it had suffered a cruel famine after being invaded by locusts and mice. Supplies were already low. Average wheat prices increased by about 300% between 1347 and 1351. As a result, despite huge falls in the labour supply, real wages could not dramatically increase. In some areas, they fell.

And even though labour became more expensive, feudal lords were able to cope—rising grain prices meant that their profits were robust. For three decades following the onset of the plague, people were dropping like flies—but feudalism was healthy. But according to A.R. Bridbury, previously of the London School of Economics, things changed in 1375. There was a bumper harvest. Crop prices plummeted. Yet after another major plague epidemic between 1368-71, the cost of labour remained high. Farming revenues fell, but costs did not budge. Feudalism was in a tricky spot.

Manorial records of the late 14th century are full of despondent reports. Some lords abandoned their holdings. Others were forced to surrender to tenants on almost any terms the peasants cared to offer. Workers were paying lower rents—and had fewer obligations to their lord. Labour services faded out, to be replaced by purely monetary arrangements between employers and employees. These arrangements became customary, and led to the dissolution of feudalism by the 16th century. Higher labour costs incentivised employers to improve economic efficiency, eventually leading to the commercialisation of agriculture in north-western Europe.

But the Black Death had other economic effects. Although the rise in real wages after the plague was not as dramatic as many assume, it was persistent, as this graph from Gregory Clark (who looks at England) illustrates:

Clark's [other work](http://www.econ.ucdavis.edu/faculty/gclark/papers/wage%20-%20jpe%20-2004.pdf) (<http://www.econ.ucdavis.edu/faculty/gclark/papers/wage%20-%20jpe%20-2004.pdf>) (see p.39) shows that real wages did not return to their pre-Black Death levels until the 17th century at the earliest. And persistently high real wages had a number of economic effects.



James Belich, of Oxford University, reckons that the Black Death encouraged innovation of labour-saving technologies, leading to higher productivity. For example, up to the 15th century, scribes had to copy manuscripts. But as the cost of labour increased, this labour-intensive method was exposed as hopelessly inefficient. Gutenberg's invention of moveable-type printing, just over a century after the Black Death arrived in England, was the culmination of many experiments undertaken during the previous century to lower labour costs.

A more speculative theory suggests that the Black Death encouraged Europeans to become more imperialistic. Prior to the Black Death, Europeans were rather averse to long sea voyages, given the extremely high death rates on boats. But as death rates on land soared, people became less afraid of sea travel; it was not much riskier than staying at home. As a result, colonialism was

kick-started. Mr Belich links the plague to the “spread of Europe”.

The Black Death had horrific social effects. And the plague recurred sporadically until the 19th century. But by forcing the creation of monetised labour markets, as well as encouraging innovation and exploration, it spurred a weakened Western Europe towards economic development. The West's [cultural superiority](http://www.economist.com/blogs/freeexchange/2013/08/economic-history-1) (<http://www.economist.com/blogs/freeexchange/2013/08/economic-history-1>) may not have been behind its eventual meteoric economic growth; disease did it.

Suggested reading list:

Bridbury, A. R. (1973). The Black Death. *The Economic History Review*, 26(4), 577-592. *[Good general discussion. Particularly interesting is the discussion of how the upper strata of medieval society responded to fears of reduced labour supply. He also discusses the gradual dissolution of feudalism post-1375]*

Clark, G. (n.d.) Microbes and markets: was the Black Death an economic revolution? Online. *[A discussion of the effect of Black Death on the efficiency of agriculture. Clark can spot no improvements until the mid-16th century]*.

Cohn, S. (2007). After the Black Death: labour legislation and attitudes towards labour in late-medieval western Europe. *The Economic History Review*, 60(3), 457-485. *[Looks at how the Black Death evolved differently across Europe]*.

Hatcher, J. (1994). England in the Aftermath of the Black Death. *Past & Present*, (144), 3-35. *[Discussion of the historiography of the Black Death, as well as both quantitative and qualitative research into post-Death labour markets]*

Pamuk, Ş. (2007). The Black Death and the origins of the ‘Great Divergence’ across Europe, 1300–1600. *European Review of Economic History*, 11(3), 289-317. *[Interesting discussion of the long-run economic effects of the plague]*.

Robbins, H. (1928). A Comparison of the Effects of the Black Death on the Economic Organization of France and England. *The Journal of Political Economy*, 36(4), 447-479. *[Very interesting, and still fresh, discussion of the different effects in England and France]*.