

# How the City Air Made Us Free: The Self-Governing Medieval City and the Bourgeois Revaluation

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## **Abstract**

The Great Enrichment of the nineteenth and twentieth centuries involved unprecedented increases in living standards across Europe and its offshoots. I argue that McCloskey's characterization of the emergence of a bourgeois ethics and dignity as exogenous to the institutional environments is not convincing. Rather, the constitutional development of the self-governing medieval city was a necessary condition for the ethical and rhetorical change that McCloskey emphasizes. Furthermore, a bourgeois ethics and dignity were likely emerging in European cities as early as the twelfth century as a result of constitutional bargains. Given that literacy was largely confined to the clergy during the High Middle Ages, a paucity of premodern evidence for this emergence is not surprising.

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## **I. Introduction**

In three volumes published over a decade, Deirdre McCloskey (2006, 2010, 2016a) has advanced a bold and novel explanation for what she terms the Great Enrichment: in Western Europe and its offshoots, “a gigantic improvement for the poor and a promise now being fulfilled of the same result worldwide” (2016a, p. xii). Conservatively, the increase in living standards associated with the Great Enrichment was by a factor of 30–45.<sup>1</sup> The Great Enrichment—or what many economists more blandly refer to as the era of sustained economic growth—has been an unprecedented watershed for human welfare.

McCloskey's thesis emphasizes an ethical and rhetorical change that began to occur in northwestern Europe in the sixteenth century. Individuals began to appreciate that not only did their commercial

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<sup>1</sup> McCloskey 2010, chap. 1; based on Maddison 2006 data.

activities promote their own betterment, but their own betterment was promoted by the commercial activities of others. Commercial activity, including entrepreneurship and innovation, became perceived as *virtuous*; and individuals began to write and talk about this perception. As such, Europeans collectively made an invisible handshake on a “Bourgeois Deal”:

You accord to me, a bourgeois projector, the liberty and dignity to try out my schemes in voluntary trade, and let me keep the profits, if I get any, in the first act—though I accept, reluctantly, that others will compete with me in the second act. In exchange, in the third act of a new, positive-sum drama, the bourgeois betterment provided by me (and all those pesky, low-quality, price-spoiling competitors) will make you *all* rich. (2016a, p. 21)

What led to this “Bourgeois Revaluation” (2016a, p. xxxiii) of commercial society? According to McCloskey, it arose out of the “egalitarian accidents of 1517–1789” (2016a, p. 152). McCloskey memorably refers to these “accidents” as “the four R’s: the Reformation, the Dutch Revolt, the revolutions of England and France, and the proliferation of reading” (2016b),

In attributing the Great Enrichment to this Bourgeois Revaluation, McCloskey is discounting the predominant view among economists that, when it comes to sustained economic growth, *institutions rule* (Rodrick, Subramanian, and Trebbi 2004).<sup>2</sup> In particular, Douglass North is prominently associated with the view that the Industrial Revolution (and, by implication, the Great Enrichment that followed) is attributable to improvements in the security of property rights, particularly in England following the Glorious Revolution (North and Thomas 1973; North 1990). Looking further back to the medieval era, a number of scholars have emphasized the estate system as providing the constitutional backdrop for European exceptionalism (e.g., Weber [1922] 1968; Hintze [1931] 1975; Baechler 1975; Berman 1983; Downing 1988, 1989, 1992; Anderson 1991; Raico 1994; Finer 1997; Stark 2011, chaps. 14–16; Salter 2015b; Salter and Young 2016a). Recently, Salter and Young (2016a) have argued that the rough balance of power

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<sup>2</sup> Rodrick, Subramanian, and Trebbi (2004) is one of a large number of cross-country econometric studies linking measures of the rule of law and property rights to per capita real income growth. Other examples of such studies include Knack and Keefer (1995); Barro (1996); Hall and Jones (1999); Acemoglu, Johnson, and Robinson (2001, 2002); and Young and Sheehan (2014).

between monarchs and the estates created a self-enforcing federalism that promoted and preserved markets.<sup>3</sup>

By emphasizing an ethical and rhetorical change, McCloskey denies that institutional factors generally, and the medieval constitution in particular, were a proximate cause of the Great Enrichment. Furthermore, by attributing the ethical and rhetorical change to “egalitarian accidents,” she denies that institutional factors were a more fundamental cause that made the ethical and rhetorical change possible. In this paper, I contend that this latter denial is not compelling. Rather, I share the view expressed by Boettke and Candela (2016, p. 10):

This dynamic effect [on ethics and rhetoric] may only take place within a larger context of rules that permitted, or at least did not prevent, the contestation of ideas in the first place, from which the ethical values emerged to underpin the extension of the market to capture greater gains from trade and greater gains from innovation.

Consistent with Boettke and Candela’s critique of McCloskey, here I argue that the constitutional bargains leading to the self-governing medieval city were a necessary condition for the ethical and rhetorical change that McCloskey emphasizes. Furthermore, some evidence suggests that a bourgeois ethics and dignity were emerging in European cities as early as the twelfth century, centuries before McCloskey’s four Rs. Given that literacy was largely confined to the clergy during the High Middle Ages, this evidence almost certainly understates the case of the medieval roots of the Bourgeois Revaluation.

To wit: for McCloskey’s ethical and rhetorical change to have occurred, individuals required the freedom to express, consider, and debate the virtues of commercial society. In medieval Europe, it was the city air that made you free (*die stadtluft macht frei*).

I proceed with my argument as follows. In section 2, I discuss the medieval European constitution and, within that framework, the political bargains that led to the self-governing city. Then, I argue in section 3 that the medieval city was a necessary condition for the Bourgeois Revaluation to have occurred. In section 4, I address McCloskey’s claim that the ethical and rhetorical change is not evidenced until the sixteenth century. Before that time, literacy had

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<sup>3</sup> The argument that federalist systems can be market-preserving is mostly closely associated with the work of Barry Weingast and his coauthors. See Weingast (1993, 1995), Qian and Weingast (1997), and de Figueiredo and Weingast (2005).

not made sufficient inroads outside of the clergy and aristocrats to expect much narrative evidence of such a change. Despite this, I note that some evidence actually *does* suggest that a Bourgeois Revaluation was already beginning to occur in the medieval era.

## II. Die Stadluft Macht Frei

McCloskey argues that what needs to be explained is the “entirely fresh credibility of commoners as rulers, even in royal France and England, and in particular among them the bourgeois commoners” (McCloskey 2016a, p. 359). To her mind, this credibility is simply the result of the “egalitarian accidents of 1517–1789” (McCloskey 2016a, p. 152). However, this credibility actually developed earlier, in the High Middle Ages, as cities achieved various liberties and rights to self-governance. These constitutional changes created institutional environments that were fruitful ground for the “egalitarian accidents” emphasized by McCloskey.

Medieval Europe was characterized by polycentric sovereignty (Salter and Young 2016a). In regard to governance, *polycentricity* describes an environment where agents (or groups of agents) endowed with political authority interact within an overarching set of rules (Ostrom 2010; see also Aligica and Tarko 2014). And a *sovereign* agent (or group of agents) is one that can defend itself against encroachments upon that political authority (Salter 2015a). In the case of polycentric sovereignty, then, multiple spheres of political authority—and hence governance provision—interact in a self-enforcing arrangement.

In medieval Europe, a rough balance of power existed between monarchs and the politically powerful estates (or orders).<sup>4</sup> In the early medieval era, European monarchs were situated in a governance hierarchy above a militarized aristocracy and below the overarching authority of the Catholic Church. Furthermore, the church and aristocracy—the first and second estates, respectively—each constituted a hierarchy of agents in and of itself. Feudal ties between the agents within these overlapping hierarchies took the form of reciprocal rights and duties that were based on the principle of

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<sup>4</sup> Numerous scholars have emphasized this rough balance of power as fundamental to the medieval European constitution (e.g., Weber [1922] 1968; Hintze [1931] 1975; Baechler 1975; Berman 1983; Downing 1988, 1989, 1992; Anderson 1991; Raico 1994; Finer 1997; Stark 2011, chaps. 14–16; Salter 2015b; Young 2015).

voluntary contract (Bloch [1939] 1968a, pp. 145–62; Vinogradoff [1922] 1968).<sup>5</sup>

Feudal ties tended to be self-enforcing. Lords and their vassals were mutually dependent on one another. As Marongiu (1968, p. 22) notes, for example, “In practice, the vassals needed the support and favor of the sovereign [monarch], while the sovereign was equally dependent—in peace as well as in war—on the devotion and collaboration of those he regarded as personifying the ‘people’ or the ‘kingdom.’” Furthermore, each estate was able to act collectively in defense of its spheres of authority against encroachment by a monarch or another estate.<sup>6</sup> Given the more or less standard form of feudal ties, the aristocracy had well-defined collective interests. And the collective interests of the clergy were defined in terms of the church as a corporate entity. Acting collectively, the first and second estates each provided a formidable check on a monarch. The landed aristocracy was a warrior class that constituted the very means by which a monarch might try to encroach upon them (Salter and Young 2016a). For its part, the church claimed influence over whether one’s soul was saved or damned—no small thing in the minds of medieval monarchs and other lords (Asbridge 2004, pp. 5–11). Furthermore, monarchs derived their authority in part from their anointment by an archbishop as a representative of the church and God.<sup>7</sup> The first estate could credibly threaten a monarch’s power by withholding anointment, or his very soul with excommunication (Hall 1997; Tellenbach 1959).<sup>8</sup>

This early medieval European world of polycentric sovereignty gave rise to commercially focused cities whose burghers would come to represent a politically powerful third estate of the realm in the High Middle Ages. The precedents for these commercially focused cities were merchant caravans that settled outside of fortified burghs

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<sup>5</sup> For example, a count’s homage to his monarch involved obligations of the latter to defend the realm and of the former to contribute to that defense with military service along with a levy of his own vassals. Regarding the overlapping nature of the feudal and church hierarchies: on the one hand, the pope was situated above the monarchs in the feudal hierarchy; on the other hand, members of the clergy often paid homage to monarchs and had their own vassals (Bloch [1940] 1968b, pp. 348–52).

<sup>6</sup> See Salter and Young (2016b) and the references cited therein.

<sup>7</sup> In the case of the Holy Roman emperor, the anointment was by the pope himself.

<sup>8</sup> After being excommunicated by Pope Gregory VII in 1076, the Holy Roman Emperor Henry IV famously stood outside a northern Italian castle (where Gregory was staying) in the snow for three days as penance.

and episcopal towns in the tenth and eleventh centuries (Pirenne [1925] 2014).<sup>9</sup> Merchant caravans became increasingly prevalent in Western Europe during the tenth century, traveling as “armed bands, the members of which, equipped with bows and swords, encircled the horses and wagons loaded with bags, packs and casks” (Pirenne [1925] 2014, p. 77). They were associations of merchants, bound to one another by oath; corporate entities that provided security as a club good (Buchanan 1965), that bought and sold goods in common, and whose members were shareholders with residual claims on the profits (pp. 76–77).

Having settled down, these merchant associations eventually came to rival the wealth of their adjacent towns or burgs, which led to tensions between the merchants and the Episcopal or castellan authorities. On the one hand, princes were eager for merchants to fill their coffers with market tolls, and the clergy benefited from the increase of their flocks and the revenue-generating baptisms, marriages, and deaths that came with it. On the other hand, the aristocracy looked down on merchants, and the church viewed commercial activities as dangerous to one’s soul (Pirenne [1925] 2014, pp. 79–83, 106–07). For their part, the merchants “were strangers [and] hardly inclined to value the interests, rights and customs [of the towns and burgs] which inconvenienced them” (Pirenne [1925] 2014, p. 102).

In particular, merchants found existing Episcopal or castellan legal institutions to be unsuited to their needs.

Judicial procedure, with its rigid and traditional formalism, with its delays, with its methods of proof as primitive as the duel, with its abuse of the absolutory oath, with its “ordeals” which left to chance the outcome of a trial, was for merchants a perpetual nuisance. They needed a simpler legal system, more expeditious and more equitable. At the fairs and markets they elaborated among themselves a commercial code (*jus mercatorum*) of which the oldest traces may be noted

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<sup>9</sup> These caravans were in German called *hanse*, and the term is recognizable in the Hanseatic League of guilds and cities (Rörig 1967, p. 41). Merchants often “built beside the burgs an ‘outside burg’—that is to say, a ‘faubourg’ (*forisburgus, suburbium*) [and] this suburb was called, by contemporary texts, the ‘new burg’ (*novus burgus*), in contrast to the feudal burg or ‘old burg’ (*vetus burgus*) to which it was joined” (Pirenne [1925] 2014, p. 92). Inhabitants of these “new burghs” were being referred to as “burghers” by the start of the eleventh century at the latest (p. 97).

by the beginning of the eleventh century. (Pirenne [1925] 2014, p. 82)<sup>10</sup>

Medieval communes established tribunes to adjudicate disputes between burghers according to the *jus mercatorum*; they also established a “peace”—or penal code—to provide security to the commune (Pirenne [1925] 2014, pp. 110–11). Furthermore, “as the towns developed both in self-consciousness as closely knit communities and also as centres of wealth, it came to seem unrealistic for the higher clergy and the nobles to speak for the towns in matters of taxation” (Myers 1975, p. 56).

Medieval cities and their burghers found themselves in a position to pursue self-governance at the constitutional bargaining table. They were becoming important sources of wealth and also administrative capital to both monarchs and the aristocracy. As such, they “were able to negotiate crucial freedoms from external authority by playing off noble and king . . . fixed sums of money . . . , artisanal weaponry, and administrative specialists were exchanged for clearly stipulated rights, freedoms, and immunities” (Downing 1989, p. 217; see also Rörig 1967, chap. 3). Beginning in the Low Countries in the twelfth century, cities were able to obtain charters within which these rights, freedoms, and immunities were codified:

The charter granted in St. Omer in 1127 may be considered as the point of departure of the political program of the burghers of Flanders. It recognized the city as a distinct legal territory, provided with a special law common to all inhabitants, with special aldermanic courts and a full communal autonomy. Other charters in the course of the twelfth century ratified similar grants to all the principal cities of the county (Pirenne [1925] 2014, p. 123).

In the twelfth and thirteenth centuries, cities across Western Europe increased in population and wealth and obtained charters recognizing “special forms of urban land tenure, free from servile or rural obligations, and of special town customs and courts adapted to

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<sup>10</sup> While Episcopal and castellan legal institutions were unsuited to the new commercial class, adjudication mechanisms such as duels, oath-helping, and ordeals may have been effective within the context of an agricultural, feudal economy. For example, Leeson (2012) argues that ordeals accurately assigned innocence and guilt to accused parties. A number of scholars have linked this medieval *jus mercatorum* to the modern *lex mercatoria* providing rules for international transactions (e.g., Berman 1983; Trakman 1983; Benson 1989); alternatively, Volckart and Mangels (1999) have criticized drawing such a linkage.

the demands of trade” (Myers 1975, p. 22).<sup>11</sup> The political bargaining that led to these charters differed depending on time, place, and circumstances, and the “bargaining” was not always peaceful.<sup>12</sup>

Burghers to a large extent, then, obtained self-rule in medieval cities. Furthermore, they approached self-rule from a background of individuals possessing legally recognized freedom.

The legal status of merchants eventually gave them a thoroughly singular place in that society which they astonished in so many respects. By virtue of the wandering existence they led, they were everywhere regarded as foreigners. No one knew the origins of these eternal travellers. . . . and serfdom was not to be presumed: it had to be proven. The law necessarily treated as a free man one who could not be ascribed to a master. (Pirenne [1925] 2014, pp. 80–81)

Settled within a city, burghers both recognized their own free status and were put to inconvenience by the nonfree status of other residents. For example, if a merchant married a serf, there were negative consequences for his children, since in medieval times one’s legal status generally corresponded to that of his or her mother. As such, “the ancient law, in seeking to impose itself upon a social order for which it was not adapted, ended in manifest absurdities and injustices which called irresistibly for reform (Pirenne [1925] 2014, p. 105).

It is not surprising, then, that burghers insisted on extending their rights and liberties to newcomers. In doing so, the “development of [city] autonomy occurred simultaneously with the transition from the personal to the territorial principle in law” (Rörig 1967, p. 27). In medieval cities, old relationships in relation to a lord were no longer to define the legal status of the individual. The autonomy of cities was itself a foundation for this transition from a personal to territorial legal principle. In medieval Europe, “serfdom was not to be presumed: it had to be proven [and the] law necessarily treated as a

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<sup>11</sup> Congleton (2011) provides a general theoretical framework for constitutional bargaining. See Salter and Young (2016a) for a discussion of constitutional bargaining within the medieval environment of polycentric sovereignty.

<sup>12</sup> Burghers in medieval France most often looked to the king for guarantees of their rights against the encroachments of princely lords (Rörig 1967, p. 58). Alternatively, in the battle of Worringen (1288), “the people of Cologne overcame the archbishop and his entourage with a coalition of his princely enemies” (Rörig 1967, p. 24).

free man one who could not be ascribed to a master” (Pirenne [1925] 2014, p. 81). Making it into a self-governing city was, then, by itself a substantial step toward freedom. Additionally, the legal maxim spread across European cities: *Die stadtluft macht frei*. City air makes you free. All it took was a year and a day within the limits, and one became a free individual of a self-governing city (Rörig 1967, pp. 27–29; Pirenne [1925] 2014, pp. 125–26).

### III. The Medieval City as a Necessary Condition for the Egalitarian Accidents

Adam Smith ([1776] 1976, p. xl) famously claimed, “Little else is requisite to carry a state to the highest degree of opulence from the lowest barbarism but peace, easy, taxes, and a tolerable administration of justice; all the rest being brought about by the natural course of things.” Anticipating the later work of new institutional economists such as Ronald Coase, Douglass North, and Elinor Ostrom, Smith was emphasizing institutional structures as a fundamental cause of economic development; “all the rest [i.e., the proximate causes] being brought about by the natural course of things.”

McCloskey points to the Reformation, the Dutch Revolt, the English and French Revolutions, and the spread of literacy as the “egalitarian accidents” that led to ethical and rhetorical change in favor of a bourgeois dignity. What she overlooks is that self-governing medieval cities provided the institutional environments within which these “accidents” could occur. Only in self-governing cities were individuals relatively free enough to introduce and discuss revolutionary ideas. Furthermore, self-governing cities made possible the thriving commerce that increased the demand for literacy, as did the institutions of learning that increased its supply. Not only did increased literacy eventually lead to the expression of a bourgeois dignity, as McCloskey points out; before that, it provided the means by which revolutionary ideas could be disseminated. To wit: the medieval constitution promoted one of McCloskey’s Rs and helped to make the other three possible.

Luther was educated in Wittenberg, and it was on the door of its All Saints’ Church that he nailed his *Ninety-Five Theses*. Wittenberg had been chartered in 1293. Calvin was educated at the Universities of Orléans and Bourges, cities that were chartered in 1057 and 1118,

respectively.<sup>13</sup> These clergymen exploited the free air of medieval cities to push their revolutionary ideas against the Catholic Church. And universities were themselves corporate entities that were inventions of medieval cities in the High Middle Ages. Indeed, they were modeled after cities as self-governing communities of masters and their students.

Protestantism that grew up in the cities of the Low Countries, which the Spanish King and Holy Roman Emperor Charles V sought to root out, was a major impetus for the Dutch Revolt; as were the heavy taxes that Charles sought to impose upon the wealthy cities of Flanders to fund his wars.

#### **IV. Was There a Bourgeois Dignity in the Middle Ages?**

McCloskey relies heavily on narrative evidence, and doing so is necessary as her thesis concerns burghers' self-perceptions, their perceptions of one another, and others' perceptions of them.

McCloskey identifies early modern narratives (including novels, poetry, and plays) indicating a bourgeois dignity and points, often implicitly, to a *lack of* earlier narratives that do the same. "We are talking here about what brought honor, not what actually happened" (McCloskey 2016a, p. 163).

I criticize McCloskey's approach on two counts. First, the trends in literacy that characterized Europe almost assured that narrative evidence of a bourgeois dignity would increase, all else equal, moving from the medieval into the early modern period; starting from little to none and then eventually bourgeoning into the wealth from which McCloskey draws to support her thesis. If those who would exhibit and/or perceive a bourgeois dignity were not writing, then they obviously would not have left narrative evidence of it. Second, evidence from the medieval period that suggests a bourgeois dignity is actually not entirely lacking.

According to McCloskey, a bourgeois dignity is founded on individuals' beliefs regarding links between market activities and prosperity, from both the perspective of the individual and that of society as a whole:

That is, what mattered were two levels of ideas—the ideas in the heads of the entrepreneurs for the betterments

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<sup>13</sup> These are the dates of initial charters. Medieval cities were often able to renegotiate and receive new charters ensuring new rights and immunities. For example, Orleans received a number of charters from 1057 to 1281. See Guizot (1881) for a good source of details and dates.

themselves . . . and the ideas in the society at large *about* the businesspeople and their betterments (in a word, that liberalism). (2016a, p. xii)

In the medieval world, the clearest analog to *entrepreneur* was not a *burgher* in general but a *merchant* in particular. The broader burgher class included all lay, nonnoble city dwellers, among them artisans and laborers. Merchants, alternatively, followed a tradition of long-distance trade, coordinating the import of raw materials to the city and the eventual export of goods to distant locales (Rörig 1967). They also coordinated manufacturing, which was carried out in stages across numerous urban shops. For example, consider the task of a cloth merchant from the Flemish town of Ypres circa 1300:

There was no system whereby the product that was being worked upon could be passed from one “master” to the “master” concerned with the subsequent process in the manufacture; after each process the goods had to be restored to the cloth merchant, who checked the work that had been done and then turned it over to another man of his choice to continue the process. Thus the cloth being made was continually going back to the business premises of the man who owned the wool, until finally he took receipt of the finished cloth which he then disposed of on the European market (Rörig 1967, pp. 84–85).

While artisans and unskilled laborers plied their particular trades, the medieval merchant coordinated their activities and bore the risks of long-distance importation and exportation.

In terms of McCloskey’s thesis, we would like to have narrative evidence of how these medieval merchants perceived their role in society and how others perceived their role. In particular, we would like to know how *other burghers* perceived the role of merchants’ activities in regard to their own well-being. This is because we cannot reasonably expect to find many of the aristocrats and the clergy pouring praise and appreciation upon the merchants. As we have seen above, estate-based political bargaining put them at odds with the upstart burgher class. Furthermore, the church had a decidedly dim view of commerce and the merchants who undertook it (Peacock 1969; Pirenne [1925] 2014, pp. 78–80; Tawney [1926] 2015, chap. 1). As Pirenne ([1925] 2014, p. 90) laments:

There is by no means enough information to satisfy our curiosity concerning these primitive mercantile groups. The historiography of the tenth and eleventh centuries is

completely unconcerned with social and economic phenomena. Written exclusively by clerics or by monks, it naturally measured the importance and the value of events according to how much they affected the Church. . . . there was no reason for them to have taken pains to note the beginnings of social life, for which they were lacking in comprehension no less than in sympathy.

If there existed a medieval bourgeois dignity, it would be primarily reflected in the narratives and art of the burghers themselves.

As such, the researcher finds his or herself confronting the state of medieval learning. While recent scholarship has debunked the idea that the fall of the Western Roman Empire ushered in a period of cultural barbarity,<sup>14</sup> the early medieval period is still known as the Dark Ages for good reason. Literacy declined across Western Europe, and with it the frequency of writing. Furthermore, literacy became concentrated among the clergy. As Anderson ([1974] 2013, p. 131) notes:

One single institution, however, spanned the whole transition from Antiquity to the Middle Ages in essential continuity: the Christian Church. It was, indeed, the main, frail aqueduct across which the cultural reservoirs of the Classical World now passed to the new universe of feudal Europe, where literacy had become clerical.

Most early medieval writing flowed from the pens of the clergy. And, indeed, the chroniclers of towns were most often town clerks who were drawn from the ranks of the clergy (Rörig 1967, p. 139).

Only in the later medieval period was the merchant class becoming widely literate (Rörig 1967, pp. 133–34). “But advances in education by no means benefited the whole urban population” (p. 134). It was still the case that burghers generally did not enjoy widespread literacy. As such, a lack of narratives that express “the ideas in the society at large *about* the businesspeople and their betterments” can come as no surprise. Burghers’ silence on these matters just as likely evidences illiteracy as it does any implicit disdain for the business of merchants.

Yet, while the nobility and clergy did not appreciate the merchants—and while other burghers most often did not have the means to record their appreciation (or lack thereof)—the merchants themselves viewed their activities as virtuous, not only in terms of

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<sup>14</sup> For example, see Wickham (2009).

advancing their own interests but also in terms of benefiting their societies at large.<sup>15</sup> Their perspective is evident in merchants' fascination with portraiture in the late medieval period:

From the middle of the fifteenth century onwards portraiture escaped from subjection to the ecclesiastical purposes. . . . The portrait emerged as a purely secular end in itself. It is very significant . . . that the people who commissioned these portraits much more frequently belonged to the urban patriciate and the merchants than to the nobility or clergy. It was the upper middle class which made the greatest use of the new possibilities offered by the development of a technically and above all conceptually advanced form of art, and it is thus not surprising that it should have played the major role in the secularisation of culture. (Rörig 1967, p. 133)

These portraits depict individuals who associate their dignity with their professions, as evidenced by the business-place settings: the inclusion of business correspondence, account books, and clerks. These merchants were not hiding from their bourgeois identities. Rather, they commissioned portraits that celebrated those identities and handed them down for posterity.

## **V. Concluding Discussion**

When and why did individuals in Europe begin to perceive dignity in their entrepreneurial activities and the entrepreneurial activities of their neighbors? In her trilogy on the Bourgeois Revaluation, Deirdre McCloskey has forcefully argued that this question is an important one, since an ethical and rhetorical change was fundamental to the Great Enrichment. Beginning in northwestern Europe in the nineteenth century, the Great Enrichment has been associated with ongoing increases in living standards that have, so far, been by at least a factor of thirty. McCloskey dates the start of this ethical and rhetorical change to the sixteenth century and attributes its unfolding to the “egalitarian accidents of 1517–1789”: the Reformation, the Dutch Revolt, the French and English Revolutions, and the proliferation of reading.

Students of the Industrial Revolution, the Great Enrichment, and long-run economic development generally are undeniably better for

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<sup>15</sup> Peacock (1969) suggests that burghers, finding themselves rebuked by members of the clergy, may have turned toward mystics to alleviate their anxiety and guilt.

McCloskey's scholarly efforts over the last decade. Her emphasis on the Bourgeois Revaluation is a welcome one in a literature too often dominated by mechanical descriptions of homogenous capital accumulation and "black box" technological change. And I, for one, take no issue with attributing an important role to ethical and rhetorical change toward ushering in an era of sustained improvements in human welfare. However, in attributing the change to "accidents," McCloskey downplays the role of institutions and, importantly, the medieval constitution that provided fruitful environments for the happy "accidents" of the early modern period. In doing so, ethical and rhetorical change itself becomes largely a "black box."

In this paper, I have argued that the Bourgeois Revaluation would not have been possible outside of the contexts of self-governing medieval cities. And the evolution of these cities was facilitated by the European medieval constitution. This constitution was characterized by a hierarchy of sovereign holders of political property rights. In this environment of polycentric sovereignty, burgher populations were able to leverage their wealth and human capital to strike constitutional bargains by playing monarchs, nobles, and clergy off one another. The results of these bargains were various immunities, liberties, and rights codified in cities' charters. Without these immunities, liberties, and rights, medieval Europe would almost certainly not have nurtured McCloskey's egalitarian accidents.

I also argue that it is not surprising that we find relatively little narrative evidence of a bourgeois dignity before the sixteenth century. In the high and late Middle Ages, literacy had simply not proliferated sufficiently among burgher populations. The largest part of extant narratives flowed from the pens of clergy, who had no love for the upstart third estate. Furthermore, to the extent that literacy spread among burghers during medieval times, it was still largely confined to the merchant class. Nonmerchant burghers, therefore, would have had no means to convey their perspectives on commercial activity to posterity. (And the nobility and clergy likely did not accurately convey those perspectives for them!) Yet portraits commissioned by the medieval merchant class do evidence a perceived dignity on their own accounts.

The emphasis on the rhetorical and ethical change is, I believe, well placed by McCloskey. However, her leap from that emphasis to a discounting of institutional factors is not warranted. Rhetorical and ethical change cannot occur outside of an institutional environment

that is conducive to it—a framework of rules that allows, facilitates, and perhaps even promotes the introduction, consideration, and debate of the ideas underlying such change. The main point of this paper is that the institutional environment of medieval European cities was critical to the ideas that led to McCloskey’s egalitarian accidents; city air truly led to people being free. That institutional environment should not be discounted but, rather, emphasized and further explored.

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