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Bartolomé Yun-Casalilla

# Iberian World Empires and the Globalization of Europe 1415–1668

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## Praise for *Iberian World Empires and the Globalization of Europe 1415–1668*

“In this important and ambitious book, based on the command of a massive literature and illuminated by shafts of insight, Bartolomé Yun-Casalilla challenges the stereotype of early modern Spain as a society incapable of responding to the demands of an increasingly globalized world. Using a comparative approach that embraces other European states of the period, he explores to striking effect what the joint Spanish-Portuguese possession of Europe’s first global empire meant to the peoples of the Iberian peninsula.”

—Sir John Elliott, *Regius Professor Emeritus, Oxford University, UK*

“This book is seminal. It provides the facts and the history required to rescue the histories of state formation, institutional development and imperial expansion in Iberia from the condescension displayed by neo-liberal economists and historians to the contributions of Southern Europe to the early modern preparations and pre-conditions for early breakthrough in the North to industrial market economies.”

—Patrick Karl O’Brien, *FBA Emeritus of Oxford and London Universities, UK*

“A comparison that seemed obvious but that only now begins to be seriously made. Beyond similarities that seemed probable and imaginaries about mythic differences, the first two great European political spaces (the Iberian empires) of the early modern era are here studied in their complexity and multileveled interconnections.”

—António Manuel Hespanha, *Instituto de Ciências Sociais, Universidade de Lisboa, Portugal*

“While the early modern history globalization has substantially progressed in recent years, there has been a surprising tendency to keep the Iberian Empires on the periphery. This new work by Bartolomé Yun-Casalilla corrects this view and puts them back in the center. His thesis is that both Spain and Portugal constructed the first world-wide empires and hence were fundamental actors in the political, military and economic foundations of early globalization.”

—Carlos Marichal, *El Colegio de México, Mexico*

## ACKNOWLEDGEMENTS

This book is a result of several years of work into and reflection upon Iberian societies in general and Castilian society in particular.<sup>1</sup> It began as an English translation of a study published in Spanish (Yun 2004) and took on a life of its own, expanding to offer new perspectives and to engage in debates with a broader literature, in particular in regard to the phenomenon of globalization. It is aimed at both specialists in the Iberian worlds and the general reading public and offers a general discussion and a critical perspective on these fields of study. It attempts to provide a basic narrative account of background events.

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This book is dedicated to Angeles. Thanks a lot for the happy decades together.

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# INTRODUCTION

Over the last few years, the history of empires has undergone something of a renaissance. This is due in part to the new interest in global history and the privileged status it has acquired in academic circles. This volume tries to explore the relations between globalization and empires, two developments or phenomena that are often considered complementary but should not be confused.

In recent years, economic historians have entered into debate about the degree of globalization prior to the late nineteenth century. For Williamson and O'Rourke, the late 1800s saw the beginning of this process, with an identifiable tendency towards the convergence of economic variables, especially prices.<sup>1</sup> Discussion has tended to turn on the use of terms such as hard or soft globalization, primitive globalization, the first globalization, and so on. These are debates of great interest.<sup>2</sup> But a few preliminary observations are needed. The first is that I find the definition of Flynn and Giráldez (also evident in Williamson and O'Rourke) to be somewhat restrictive, as they propose that the economic historian must define globalization primarily from the perspective of the 'exchange' of 'products' and 'its long-lasting impact' 'on all trading partners' (2002). While I agree with many of their statements about the importance of silver in this process, I have tried to demonstrate that although the economies of the

<sup>1</sup> See, among others, O'Rourke and Williamson (2002, 2005).

<sup>2</sup> In addition to the works of Williamson and his collaborators, see Jan De Vries (2003, 2010, 2011).

sixteenth and seventeenth centuries did not meet these criteria—as Williamson and O’Rourke argue—those economies did create connections that would be decisive for the political economies and the construction of the state and, in this way, the allocation of resources in Europe and its colonies. My approach also starts from the conviction that global history is not only important because of what it tells us about non-European worlds but also because it offers us a different perspective and overall context for Europe itself, and may even allow us to reinterpret it in light of the new vantage points thus acquired. Indeed, this may be its most important contribution (Yun 2007). These two presuppositions are the basis of the book, which attempts to employ them in a concrete form to understand the internal history of Spain and Portugal, drawing comparisons between them and other countries and exploring the way in which globalizing forces conditioned relations with other areas of Europe. For this reason, the debate is not always focused on the history of mercantile relations or the classic literature on ‘world economies’ of Wallenstein but also on some of the classics of the new institutional economics, such as Acemoglu, Johnson, and Robinson.

Another of the purposes of this book is to use this perspective to approach the history of empires and the processes of state building in Iberia, using the concepts of monarchies and composite states.<sup>3</sup> It also attempts to challenge some stereotypes and views that, although anachronistic, have resulted in a highly negative understanding of Iberian societies. To the extent that it looks at problems of statecraft, a basic purpose of this book is to analyse the effects of war on society. This aspect of *Marte contra Minerva* (Yun 2004) which was largely ignored by its readers is vital in understanding the pacts between elites and central power and the forms of organizing coercion and its effects on society.

Empires and the political formations of this period cannot be understood, however, by a study focusing exclusively on what we could call formal institutions. Above all, an analysis of informal institutions—and personal rules—is required, something which is not present in the studies of D. North and his co-authors but which remains essential from our point of view: the family, the extended lineage of family and the kinship relations it entailed, patronage and friendships, reciprocity, prestige, and so on. An analysis of these informal institutions is vital not only to understand political organizations and their dynamics but also the political economies of the time and the forms of

<sup>3</sup> Some ideas in Yun (1998).

resources allocation.<sup>4</sup> It may, of course, be difficult to distinguish between formal and informal institutions (Grafe 2012). This is even more the case when we deal with Old Regime societies in which the separation between the public and the private is not clear and in which institutions such as the family are very regulated by the law. The exercise is, however, without doubt of considerable heuristic value. This study will try to set out the internal dynamic of elites, in which reciprocity and conflict were two sides of the same coin and vital to any understanding of political dynamics as well as economic and territorial expansion, including the establishment and nature of empires. Also the relations between the different local and regional elites and the central power of the state is also constitutes a central part of my arguments. Another crucial argument is that these informal institutions developed in contexts of great political and jurisdictional fragmentation, which created enormous competition for resources. From this perspective, it becomes essential to discuss how the institutional framework affected the allocation of productive factors and economic growth or recession. The conclusion is paradoxical, because although this institutional framework explains some of the most negative aspects of the economic behaviour of these societies, it is obvious that the final effect of these (supposedly) inefficient institutions (inefficient, i.e. from the perspective of the new institutional economics) could very well be economic growth of a notable scale within the parameters of pre-industrial societies. Such was the case when the available resources and the ecosystems in which they were inserted acted positively. And this may be true not only for territories in Europe but also for the colonies.

From a heuristic and methodological point of view, a study of the sort undertaken here has obvious roots. Comparative history and what is somewhat unfortunately called ‘transnational history’ are undoubtedly among the creditors.<sup>5</sup> While the work of authors such as D. North appears continually as a point of discussion, this is only possible in the context of a critical use of their own concepts and ideas. Bourdieu’s theory of capital reconversion has been useful to the extent that it allows us to link economic and political factors and explains the decision-making process of historical agents in general and of elites in particular (Yun 2011). And I have also found inspiration in the theory of organizations of H. Simon and others (Yun 2011).

<sup>4</sup> A good number of studies of political economies have focused only on mercantile institutions, the state, the judicial system, and the consulates. See, for example, the innovative book by Hough and Grier (2015).

<sup>5</sup> My theoretical approach in Yun (2007, 2014a).

I have adopted a narrative structure in order to provide the reader new to this area with the basic facts upon which my conclusions are based. I have also included conclusions from chapters and papers published elsewhere and focused on related phenomena. This is done in the hope that they broaden perspectives and tie in with important and ongoing debates but do not require a lengthy narrative description of these parallel processes and forces. I am aware that this narrative strategy can give place to some repetitions, but I also want to think that in many cases this is good for those readers who prefer to read only particular chapters of the volume. Lastly, this study approaches the life of the two empires from a top-down perspective, but there is a complementary perspective still to adopt by looking at the empires from below and by analysing how the different local societies established some of the limits for the elites' negotiations. Arguments are always based on choices, and I had to make mine. I do really hope that further research will address the problem from this other perspective and illuminate many aspects that are less explicit here.