

## Introduction

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Economists have long worried about possible disarticulation between their aggregate analyses and their underpinnings in terms of individual behaviour: hence the concern with the micro-foundations of macroeconomics. The problem is not just one of reconciling individualist models of behaviour with macro-outcomes, for another institution breaks any simple aggregation exercise: the household. Individuals, in both the present and the past rarely live alone, but manage their assets and secure their subsistence within households, the basic units of most societies. However, we know very little about the way households combine the preferences of their individual members to make decisions at household level. Direct observation of decision-making or clear evidence on power relations and the distribution of resources within households are very rare and provide only an anecdotal record. Thus, authority and allocation must be inferred from observable outcomes: a tricky process. Economists have postulated a variety of models of household behaviour but most have conceptual and/or empirical drawbacks. Nonetheless, it is time perhaps, for economic historians to step back from the growth models, which dominate our discipline, and look again at the structure and functioning of households. What happened at household level surely helped to determine the nature, chronology, geographical distribution and causes of economic growth, and structural change.

This special issue originated in two spontaneously developed but subsequently interrelated workshops in Oxford, supported by the Economic and Social Research Council and in Utrecht, supported by the European Research Council.<sup>1</sup> These workshops aimed to investigate household behaviour in the past, and specifically to study how households managed their resources. The ultimate objective was to link household behaviour to both classical and current themes in economic history, specifically the role of human capital, the sources of early modern accumulation, the links between economic and demographic trends, and the chronology and implications of participation in markets both for goods and for labour. Participants were pragmatic about economists' modelling of household behaviour and made use of unitary, bargaining, and collective models where these seemed of value. However, they remained aware that models had to reflect historical contexts and often used their empirical findings to reflect on the aptness of assumptions about behaviour in different economic, social, and cultural contexts.

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The Utrecht workshop in January 2012 was funded by the European Research Council under the European Community's Seventh Framework Programme (FP7/2007-2013)/ERC grant agreement no 240928) as part of Tine De Moor's project "United we stand". The dynamics and consequences of institutions for collective action in pre-industrial Europe". See also [www.collective-action.info](http://www.collective-action.info).

Of the papers published here, Sara Horrell and Deborah Oxley's "Bargaining for basics" is the most clearly influenced by formal models of the household, which influence both its focus and methodology. The paper is inspired by the mechanistic link postulated in bargaining models between contribution and allocation: did those who contributed most to a family's resources enjoyed the lion's share of a family's resources? Lurking behind this first question are bigger issues about the extent, nature, and causes of patriarchal authority within working-class households, issues, which then bear on accounts of the standard of living, women's experience, and family history. These issues are in the paper's gunsights. Horrell and Oxley do not just ask whether male breadwinners got more but also ask why. Did privilege rest on economics or were there other factors in play?

The authors recognize that lack of direct information on intra-household processes makes it hard to answer these questions and follow orthodox economists in relying on indirect evidence. However, they do not do so before careful consideration. They outline the theoretical models of household decision-making (unitary, a particular variant of this, the impoverished unitary, and bargaining) and identify how gender bias in various outcomes might manifest itself under the various modelling assumptions. Horrell and Oxley survey a range of empirical findings to identify examples of gender inequality, which support or refute the models of household behaviour. The paper is valuable for its judicious survey of the British evidence of gender bias from many different sources including: econometric analysis of expenditure data; surveys of household nutrition; recent work on regional dietary patterns; the geography of male and female stature; records of male and female body mass over the life cycle; and accounts of differential female mortality. These findings suggest that although household allocations may have reflected bargaining, and bargaining power may have been determined by contributions to family incomes, and contributions to family incomes may have been calibrated by the gender pay gap and differences in participation rates, the story was often more complex. In particular, Horrell and Oxley underline the importance of trying to separate different fonts of bargaining power even if these overlapped and reinforced each other. Thus, they try to differentiate patriarchal authority, rooted in culture and tradition, from economic power. Women could never hope to access the former but might sometimes command the latter. They also emphasize the myriad ways in which individuals might contribute to family subsistence and wellbeing and caution against an anachronistic fixation on money wages. These might well have grown in importance but in some contexts and communities, self-provisioning or domestic labour remained noteworthy determinants of family nutrition and welfare. Family members, who provided such inputs, commanded respect in family councils and reward in multifaceted distributions. It is important to carry such subtle links forward into other studies particularly of the implications for women of economic change.

Horrell and Oxley also highlight another issue: historically, bargaining occurred not just between husbands and wives, but also between adolescent children and parents, and, we would add, between elderly relatives and their descendants. Modern bargaining models are too fixated on the domestic disputes and gendered pay of late twentieth-century husbands and wives to provide a realistic representation of the negotiations within historic families. These were often larger and more complexly composed, more heterogeneously resourced and less dependent on market wages. At the very least, if bargaining models are to time travel, they need to incorporate the potential contributions of children and their associated leverage over the distribution of resources, which would connect with recent demonstrations of the relative size of adolescents' wages and the importance of children within the pre-industrial and early industrial labour forces. Indeed, Horrell and Oxley suggest

that close scrutiny of the treatment of boys and girls at ages when they could command similar wages and had comparable likelihoods of obtaining work might reveal both gender bias and bargaining occurring within the household may be determined.

The recognition of children as members of households and so as workers, contributors, and agents with their own agendas within their households is a theme carried over into several other papers. With Dan Bäcklund and Kristina Lilja's "To navigate the family economy over a lifetime: life cycle squeezes in pre-industrial Swedish towns" we travel to preindustrial urban Sweden and consider the role of children over the family life cycle. Bäcklund and Lilja explore the parental life-course through the conceptual device of "the life-cycle squeeze". Over the lifetimes of their founders, historical families typically enjoyed phases when income exceeded expenditure and endured other periods when the opposite held and they experienced a squeeze on their budgets. To some extent, this pattern was endogenous. An "early adulthood squeeze" was associated with the expense of setting up a household and tightened as children arrived and wives' contributions were curtailed by pregnancy, breastfeeding, and increasing domestic duties. The economic situation improved as children grew older and were able to contribute economically and as women, past childbearing, might also return to work. These good times lasted until the younger children left home, whereupon a second "old age squeeze" engulfed the elderly couple as their powers failed and they became decreasingly able to support themselves.

Empirical evidence from the nineteenth-century is largely consistent with a model of two life-cycle squeezes but longitudinal data at household levels has prevented historians from generalizing to the pre-industrial era. Bäcklund and Lilja's insight is that if squeezes of this kind systematically punctuated the family economy, they would have left their mark on the asset portfolios of households. Probate inventories for the Swedish towns of Eskilstuna, Falun and Uppsala from 1820–1825 provide detailed evidence on the wealth holdings of households of different types and compositions. Quantitative methods can identify the cross-sectional relationships between familial net worth and the number and ages of children, from which a standard pattern of accumulation and deepening indebtedness can be projected. One novel feature of the paper is the separate identification of the families of workers, which were wholly reliant on wages for subsistence, and the families of master artisans, which also enjoyed income from profits. The results are surprising.

For master artisans the model of life-cycle squeezes seems wide of the mark. True master artisans incurred significant debts early in married life but household formation was not a decisive factor in this phase. Setting up and growing the business appears to have had an independent effect not always synchronized with household formation. In addition, debts decreased and wealth grew with age, presumably as artisans' businesses flourished, and as masters often continued to operate their businesses into ripe old age, they managed to fend off the old age squeeze. Moreover, adolescent children had a significant positive effect on master artisans' assets, which Bäcklund and Lilja interpret as stemming from the flexible labour force that such family members provided.

For workers' families, the model of life-cycle squeezes appears more applicable. Interestingly, workers with more young children incurred more debts. Maybe greater indebtedness was required by the dependency burden in such large families but it also seems that parents were more confident that they would be able to repay debts when they had more children. Such confidence seems well placed since adult children in these families had a significant positive impact on wealth. Moreover, the assistance that adult children had offered in this mid-life phase served to soften the exigencies of the inevitable old age squeeze when workers were no longer fit to labour. Even though children had now grown and left the

family of origin, elderly parents could run down the assets accumulated with the help of adolescent children in earlier years. Bäcklund and Lilja's "saving through children" surely has important demographic implications. Workers' families must have been desperate to reduce infant and child mortality since the deaths of infants and children whose maintenance had led parents to incur debts were economic as well as emotional blows.

The paper "English Individualism and Continental Altruism? Servants, Remittances and Family Welfare in Eighteenth-Century Rural Europe" by Thijs Lambrecht also focuses on the contributions of children to working families. Lambrecht investigates and compares the frequency and importance of remittances by servants back to their families of origin in France, Belgium, and England. He shows that in Belgium and France while servants lived away from the parental household, they nonetheless remained in close material contact and regularly remitted some of their wages. In England, the extent and value of such remittances appear much less important. As Lambrecht points out, although the institution of farm service looks very similar in all three countries, in England it was differentiated by the nature of the landholding system within which it was embedded. In the continental countries, farm service was a life-cycle phase set into a system of peasant proprietorship. Farm servants might seek to accumulate in order to purchase land but they also expected to inherit from the previous generation. In England, farm service was more likely a prelude to a lifetime of wage labour on a capitalist farm ultimately owned by a distant landlord. For Lambrecht, it was the ownership of land in Belgium or France, which enabled parents to command assistance from children in thrall to the prospect of inheritance. English parents had no such bargaining chip; hence their greater reliance on communal assistance and poor relief. It was not that servants and adolescents in rural England were individualist and their peers on the continent altruistic, but simply that both responded to their material interests as manifest in the social distribution of land and inheritance practices.

Lambrecht's brilliant instrumentalist account of comparative intergenerational relations compliments the innovative study of apprenticeship offered by Patrick Wallis, Chris Minns, Marc Klemp, and Jacob Weisdorf entitled "Picking Winners? The effect of birth order and migration on parental human capital investments in pre-modern England". Apprenticeship was one of the main ways that early modern families invested in human capital. Not surprisingly given hypotheses about the importance of human capital in modern accounts of economic growth, apprenticeship is currently a fashionable topic, but nobody has investigated its allocation within households. Such allocation might have momentous implications for children in those many families unable to finance the direct and indirect costs of traditional apprenticeships for all adolescent children even if gender standards dismissed the claims of girls. Indeed as the authors note, it is surprising how little we know about how parents allocated opportunities across children. It is exactly this ignorance, which Wallis et al. wish to challenge by investigating apprenticeship as a component of a family economic strategy. Their implicit model is one of rational allocation, which while it cannot be observed directly can, as explained in Horrell and Oxley, be inferred from recorded outcomes.

This paper is impressive not least for the ways in which extensive records of indenture have been linked to parish reconstitutions to facilitate background checks on apprentices. As a result, apprentices can be located within a family of origin and a community of birth. The authors then interrogate the linked data to find out which children within families were chosen to receive the investment in their human capital that apprenticeship conferred and how such preferred children subsequently behaved. In particular, they ask whether eldest children were favoured.

The results again are surprising. Wallis et al. find a modest bias against apprenticing the eldest son, which was stronger among the families of provincial farmers and almost a hard and fast rule within the gentry. For landowning families, artisanship was apparently a destiny for lower-birth-ranked boys. However, things were not quite so simple, for among the poorer sort there is some evidence for the bias being reversed and eldest sons chosen for indentures. Moreover, outside the gentry, there was plenty of random noise in the data; a large number of eldest sons from all sorts of families were in fact apprenticed. Wallis et al. interpret this as evidence that family decisions accommodated children's interests and aptitudes. Outside the gentry, no rigid rules about primogeniture or birth rank governed household allocations of their scarce investable resources. English families seem to have had remarkable freedom to promote their children in different ways and according to different selection criteria, especially in comparison with continental counterparts bound by primogeniture. In terms of the subsequent behaviour of erstwhile apprentices, Wallis et al. find a surprisingly high rate of return migration, moderated only significantly by the early death of parents. Orphans apparently had less reason to return home.

These findings, as the authors note, have significant implications for the evaluation of the contribution of apprenticeship to economic growth in Britain. While poverty and inequality limited the resources that poor families had to invest in children, lack of social norms dictating allocations across children left families able to match investments to aptitudes, thus enhancing the value of the training. The ties with their home parish that ex-apprentices retained reinforced the incentives that parents had to choose those most likely to succeed. Support when entering the old age squeeze was more likely to materialize if the children themselves were doing well. In addition, return migration ensured that apprentices disseminated up to date work practices and labour processes. Ex-apprentices were not contained within centres of training where they might inhibit masters from training new recruits by threatening intensified competition. English apprenticeship looks increasingly different from its continental counterpart and maybe deserves less condescension from economic historians.

In the last article entitled "Preferences of the poor: market participation and asset management of poor households in sixteenth-century Holland", we return to the ways in which historical records of asset ownership, especially if they reach down the social scale, can facilitate understanding of household strategies and their modest but cumulative contributions to growth. Jaco Zuijderduijn and Tine De Moor concentrate on the differences in asset management between households of different sizes and compositions and various wealth levels in sixteenth-century Edam. Contrary to the usual clichés, Zuijderduijn and De Moor show that even the poor in early modern Europe were able to participate in markets. The extent to which they were active was to some extent related to the size of the household, which resonates with the findings of Bäcklund and Lilja and provides another potential handle on the demographic underpinnings of early modern growth.

Zuijderduijn and De Moor use an exceptionally rich dataset for sixteenth-century Edam that allows them to reconstruct the composition of a very wide array of household assets and relate this to the household size on the basis of the beds that were present in each household. Households with a high labour supply turned out to participate more in markets, in particular the housing market, than did those with relatively few workers. Among the latter, the authors reveal differences in behaviour according to wealth: whereas wealthier households appeared able to rely upon capital assets obtained through inheritance, and actively invested, poorer households had to go into debt early on in their life cycles. Participation in markets by all types of household, poor or wealthy, small or larger,

appears more widespread than has often been assumed and certainly the involvement of those at the lower reaches of society suggests that the unresponsive and inert behaviour usually attributed to poorer households was absent in sixteenth-century Holland. Households in all layers of society appear to have been more economically engaged and dynamic than usually assumed.

Taken together, these articles present new empirical findings which provide fresh and interesting insight into family strategies in different economic and social contexts in pre- and early industrial Europe. They show that families did respond to economic conditions and the opportunities that they provided; but they also suggest that families were relatively autonomous and would sometimes resist economic pressures and rebel against purely instrumental responses. Understanding households and their internal decision-making process may require acknowledgement that not all behaviour was driven by rational instrumentalism. Whatever the economic logic, inter-household relationships were also likely influenced by emotional bonds that secured diverse sources of money and goods, for example remittances, as well as influenced the household distribution of those same supplies. At any rate, family strategies undoubtedly combined to influence economic growth for better or worse and cannot be ignored in accounts of long-run change. There is much to follow-up from this body of work, for our understanding remains sketchy. It is tempting to ask how the deeply instrumentalist parent–child bonds of the Lambrecht paper fit with the substantial investments in children’s apprenticeships documented by Wallis et al. or the contributions to parental wealth provided by the labour of Swedish children of master artisans described by Bäcklund and Lilja. These are good research questions for other scholars to take forward.