Institutional change and growth in Swedish agriculture in the late 18th and early 19th century

By

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Paper presented at the XIV International Economic History Congress
Helsinki, Finland, 21 to 25 August 2006, session 21 Property Rights, Land Markets and Economic Growth in Europe (13th-19th Centuries)
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Abstract
This paper addresses connections between changes of property rights to land in Sweden and the pattern of agricultural growth in the 18th and early 19th century. During the 18th century growth of agricultural production only marginally outscored population growth, which however was rather strong. By around 1810 the rate of population growth increased, but production growth rated increased even more. Thus increased per capita production resulted and Sweden turned from a net importer of grain to a net exporting country. A series of institutional changes predated this take-off in agricultural production and basically these changes promoted an emerging class of freeholders. The most important change appear to have been a continuous fall in the real value of state taxes paid by these freeholders, and a fall in the tax quota (taxes in proportion to production). As rents became regressive freeholders managed to secure increasing shares of agricultural surplus vis-à-vis the rent takers. This gave them incentives and resources to expand production. Furthermore their ranks grew through land sales from the state, as a group they increased their share of land ownership, they reclaimed more land so their holdings grew in size and price, they managed to benefit from slackening regulation of the land market and the grain market, they developed their land management largely on par with large noble landowners and they consolidated their holdings through “enclosures”. The radical land consolidation (enclosures) particularly in southern Sweden was also of vital importance in promoting growth. Growth however appeared at a drastic social costs: The number of landless households more than quadrupled, while the number of peasant households holding land increased by only c. 10 % from 1751 to 1851.