

SESSION 21

Property Rights, Land Markets and Economic Growth in Europe (13th-19th Centuries)

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Property rights, the market in land and economic growth (13th-19th centuries). The case of Norway

Abstract

Norwegian peasants were considered legally free men as early as the 13th century. Landowners also lacked any jurisdictional power over their tenants. From the 16th century tenants possessed lifelong tenures and paid relatively moderate rents to their, mostly institutional, landlords. They had fairly good control over successions and could even sell their right to tenure on an open market.

With a marked transition to freeholdings from the 17th century onwards, there existed by the middle of the 18th century two equally large land markets: one based on tenant land, one based on freehold land. On freehold land, access to holdings was in principle designated by birth. Priority should be given to the eldest son, according to the Norwegian *odelsrett*¹ and *åseterett*². On tenant land, access was in principle more open and depended largely on the decisions of the existing tenants. If children were to succeed their parents, younger siblings might also have a fair chance. Non-related land-seeking persons could also gain access to this market, if they could satisfy the demands of surrendering tenants.

Local studies of land transfers confirm the existence of a rather open tenant market. They generally depict a system of land transfers on tenant land which took family ties into consideration, but in which such ties did not totally dominate. There are, however, local exceptions, following patterns usually associated with freehold farms where the oldest son was supposed to succeed his father.

On freehold, allodial land, the Norwegian system of *odelsrett* and *åseterett* has been held to have blocked acquisition of land for other persons than the oldest son, thus effectively eliminating a free land market. This view has been challenged by recent local studies substantiating that freeholders in the 18th century, even those who had acquired *odelsrett*, might choose to sell their farms to people outside their family in order to make the most of rising land prices. There were, however, still areas in which transfers seem to have been totally dominated by the *odelsrett* and *åseterett*.

It thus seems that peasants on tenant holdings as well as on freeholdings might alienate their holdings or the right to lease them when increasing demand for land gave them the opportunity of improving their situation, themselves often moving to better holdings. This was most evident in areas where access to town markets or involvement in the timber trade made land more valuable. In other regions, especially more remote and isolated areas, peasants seem to have been more inclined to secure their holdings for their family.

¹ The right of pre-emption and redemption.

² The right of the oldest son to claim the property undivided.

What then are the implications of the Norwegian market in land? One obvious implication is that the land market in the late 17th and the 18th century accumulated less capital than investments in trade and export industries. Landed property was a safe investment and even rendered status, but in the end merchants and officials that had former Crown land transferred to them in the 17th century sold their land in the next decades to invest in trade, shipping and export industries like the timber industry and mining. What interest was left for investments in land was limited to regions like parts of Eastern Norway, where acquiring forests was important. As land prices increased in the 18th century, this meant that a considerable amount of capital could be freed, this capital making a huge contribution to the rise of Norwegian trade and exports, and securing a Norwegian class of merchants and investors.

Another implication is that land transfers and succession patterns was not as much influenced by formal ownership to land as Norwegian historians used to believe. In the tenant system, which was dominant till the 18th century, the former tenant could determine who was to succeed him, in some regions thus creating an open market for potential new tenants. The *odelsrett*, which most peasants had acquired by the 19th century, has been thought to keep land in the family, leaving little land to the free market. Although this mechanism have worked this way in many regions, profits from rising land prices seem to have inclined some freeholders (even *odelsbønder*) to sell their farms instead of handing them over to their oldest son and to use the profit to acquire better farms.

Very few farms were sold from peasants to non-peasants. Land was kept within the peasant class, with only marginal land being rented from peasants to an increasing number of cotters, supplying a steadily growing labour force, especially in Eastern Norway. What surplus capital that peasants accumulated was mainly invested in gaining a better position in the peasant society. In Norway, the transition to a pure freeholding system, completed in the first part of the 19th century, took place well before any significant development in agricultural productivity, which can only be traced when population growth in the towns from the second part of the 19th century and the first decades of the 20th century created growing markets and a transport revolution made these markets available.