

# XIV INTERNATIONAL ECONOMIC HISTORY CONGRESS

## SESSION 21

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

Stewards and Landlord Farmers at the end of the *Ancien Régime* in Spain (\*)

Ricardo Robledo y Santiago López, Universidad de Salamanca

The aim of this proposal is to show the role of farm managers, as a business service for the agricultural activity, at the end of the *Ancien Régime* in Spain.

The *estates* (huge possessions of land) of the gentry, especially those belonging to the *grandees* of Spain, could be defined as the major business of the *Ancien Régime*. In fact, these *estates* yielded a significant share of the agricultural outcome, and employed an important number of workers in their administration and other services. The permanence of this major business throughout the centuries was only possible because of the entailment –which involved the indivisibility and inalienability of the *estates*--.

The logic of the *mayorazgo* itself (the first-born son being the heir to an entailed *estate*) caused its decadence. Major and small aristocratic families worked their way up by gobbling another *mayorazgo*. This led to a process of property concentration. By the end of the eighteenth century, a few families got a remarkable territorial power due to the laws governing succession and the default of male heirs.

Our proposal explores, in the first place, this process of property concentration that affected not only assets, but also debts. This exploration will enable us to explain why this process of concentration meant the beginning of an economic decline. In fact, the areas from which the landlord exacted rents increased, but not at the same rate at which net income did. As a result of this expansion, the role of managers became more relevant. The ancient *states* faced then internal pressures as well as pressures from the *Real Hacienda* (The Exchequer), the state vs. the *estates*, and from the tenants. Under these circumstances, and considering the incipient finance system, the liquidity of major aristocratic families often relied on loans given by managers and trustees, among others.

If we consider managers as agents that keep information from their principals, we could think that one of the managers' goals might be to administrate inefficiently the losses or the stagnation of the major *estates*. In order to face the problem, principals tried to reform management by establishing regulations, directions and so forth. All

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these measures failed. One of the aims of our work is to appraise the losses caused by agents when managing estates.

A fundamental characteristic of the economic situation during the period of analysis is that tenants did not pay the rent, the gentry did not pay creditors, and the *Real Hacienda* did not pay back neither loans financing the *desamortización* (disentailment of communal, church, and gentry lands) and war supplies, nor interests on royal promissory notes. Under these circumstances, the gentry, irresponsibly, had to borrow money at a high interest. Taking into account that the assets used as loan guarantees were entailed, who would lend money to the gentry? The *mayorazgo* turned out to be an obstacle and that's why free lands (disentailment) became more and more important within the nobility heritage.

At this juncture, how could anybody increase his income without becoming indebted? Some foresaw the future and avoided uncertainty. Managers and major colonists seem to have profited from this situation.

Finally, our proposal outlines the managers' contribution to the maintenance of part of the gentry's *estates* when the next liberal regime was set up.