From the Eighty Years War to the Second World War
New Perspectives on the Economic Effects of War

Marjolein 't Hart

Abstract
Most historians used to regard war as economically destructive. They focused on short-term damage to the economy, guided by archives that were dominated by documents related to reparation demands and official statistics that did not take into account the black market and the re-routing of trade. Gradually, scholars began to acknowledge the positive role played by wartime stimuli with regard to state finances, innovative management and new industries. Wartime expenditure proved to have been an impetus for domestic production and demand. Wartime economic downturns often turned out to have been influenced by pre-war economic trends. Over the last hundred years, the Eighty Years War, the Napoleonic Wars and the Second World War have all received new interpretations, as historians have gathered new data and shifted their focus to the efficiency of governments and redistributive economic effects.

Keywords: warfare, economic history, economic growth, the Netherlands, historiography

Introduction
In the early 1750s, an infantry captain in the north of Holland reported that 'Here are many towns wishing that the war may last longer, because they are enriched by it. A house that was rented at twenty guilders now yields a hundred.' The letter was written amidst the miseries of the Dutch Revolt, a time dominated by beleaguering armies, marauding soldiers, disrupted trade routes, devastating strategic inundations, food shortages and soaring taxes. Such voices, however, rarely feature in the historiography. Historians have tended to describe Dutch wartime experiences in predominantly...
negative terms, and have pointed above all to the loss of life and labor, the exploitative demands on the economy and the destruction of capital due to bombardment and plundering.

Yet hardship and destruction do not tell the whole story of wartime economic experiences. In his analysis of the Second World War, the economic historian A. Millward identified predominantly redistributive effects, such as in foreign trade and alterations in the pattern of investments. A loss for some would almost always constitute a gain for others. War often induced innovative changes, while war-related scarcity might encourage the exploitation of underused natural resources and war-related demand might stimulate the development of new industries and skills. The German sociologist W. Sombart even argued that wars propelled the development of capitalism tout court. During the Cold War, this thesis was reiterated in a slightly different vein in the debate on the military-industrial complex, which centered on the rise of giant, capitalist businesses connected to the military threats of the time.

War could also expand the capacity of the state. The economic historian F. Lane argued that governments should be considered as economically productive, even if they had no other function than the use and control of violence. With the development of what M. Weber termed 'the monopoly of violence', state authorities reduced the cost of protection, a cost that civilians otherwise had to shoulder for protection against bandits, private armies and hostile powers. More recently, D. North, J. Wallis and B. Weingast have again emphasized the importance of efficient governmental control over violence for stimulating long-term economic development, not only in relation to foreign trade, but also for establishing a reliable domestic jurisdiction.

Such services came at a cost, in the form of high taxes that could undermine the investment capacities of entrepreneurs. Indeed, wars encouraged the imposition of higher duties. After a war, the tax burden would be lowered slightly, but it would remain above the pre-war level, as the population had grown accustomed to higher rates. A. Peacock and J. Wiseman have labelled this 'the displacement hypothesis' (known as plateau-theorie in Dutch). Larger budgets enabled the state to undertake new tasks that went beyond the primary duty of defense, such as building infrastructure or distributing poor relief. Tax arrangements were even said to have stimulated the development of property rights and supported the rise of capital markets.

Such views have had their impact on the Dutch historiography on war and economy. This chapter sets out to analyze how the interpretation of the economic effects of war has changed over the last hundred years, organized around the following three topics: economic warfare and foreign trade, war finances and the effect of war on the capacity of the state, and wartime stimuli for economic progress. I will look at the Eighty Years War (1568-1648), the Napoleonic Wars (1795-1813) and the Second World War (1939/1940-1945). The conclusion will transcend chronological boundaries and look at comparable trends in historiography. It is shown that a remarkable convergence has occurred in recent decades, with more scholars accepting a more positive reading of the economic effects of war.

Wartime threats: economic warfare and Dutch vulnerability in overseas shipping and trade

This section addresses the historiography of economic warfare, and above all of wartime blockades, trade embargos and other means of attacking enemy trade. A particularly contentious topic has been the role of mercantilism, the early modern doctrine whereby states aimed to obtain as much bullion stock as possible through a positive balance of trade, by stimulating exports and reducing imports. Mercantilist statesmen regarded trade as a zero-sum game; trade that profited the Netherlands, for example, was always a loss for other states. Mercantilism thus invigorated the tendency for conflict over trade routes and resources.

In 1931, the Swedish historian E. Hecksher claimed that the Netherlands was 'less affected by mercantilist tendencies than most other countries'.

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5 Frederick Lane, 'The economic meaning of war and protection', *Journal of Social Philosophy & Jurisprudence* 73 (1942) 254-270.
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Introduction

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8 Charles Wilson, Taxation and the decline of empire, an unfashionable theme, in his Economic History and the Historians (New York 1968).
This statement did not deny the existence of Dutch mercantilism; it was the comparative perspective that counted.10 Mercantilism was not altogether absent, yet protectionist measures were much less consistent than those of other states. Dutch policy was thus ruled by a spirit of opportunism.11 For E. Verviers and Joh. de Vries, this opportunism was the ultimate evidence that no mercantilism existed: mercantilism required a guiding principle, and this guiding principle was simply absent in the Dutch Republic.12

Other authors went even further, claiming that mercantilism would have been unnecessary, as the Netherlands did not experience trade imbalances and did not suffer from shortages of silver and gold.13 Another recurrent interpretation pointed to the obvious weaknesses of the republican state in comparison with the powerful centralized bureaucracies of other European states. The lack of central state control precluded mercantilist methods, with the result that the Dutch were victims of mercantilism rather than active mercantilists.14 This opinion was again voiced more recently by the British historians D. Ormrod and S. Epstein, who stressed that in comparison with the British state, the Dutch central authorities had much less leverage over the different provinces. Economic policies, including mercantilist tendencies, thus came to nothing.15

Despite this, a prominent minority of scholars has always discerned powerful mercantilist attitudes in trade policies.16 P.W. Klein argued that the Dutch authorities were mercantilist because they aimed to further Dutch trade and the Amsterdam staple market under all circumstances.17

Economic interests were continually on the agenda of the States General of the Netherlands. G. Rommelse concluded: “The Dutch political elite upheld, regulated and stimulated Dutch maritime and commercial rights.”18

It is remarkable that the (in)famous blockade of Antwerp played no role in this debate, despite being a perfect example of typical Dutch mercantilism departing from the zero-sum view that regarded all trade to Antwerp as a loss for the Dutch. Historians took a similar, zero-sum view of the rapid rise of Amsterdam, which was explained simply by the decline of Antwerp. The massive exodus of entrepreneurs and skilled workers from the South to the North was regarded as one of the main factors in this development. J. Briejs assumed that from the sheer number of migrants, the economic impact must have been immense.19 Departing from Briejs’ figures, J. Israel added that thanks to the blockade of Antwerp, the Dutch Republic’s trade network was crucially extended by new rich trade links (colonial and luxury goods), in addition to the existing bulk trades (grain, salt, etc.).20

However, reservations existed about such simple explanations. Historians criticized Briejs’ estimates as being too high, and pointed to the independent potential of Amsterdam’s trading fleet and networks. Many refugees were less wealthy than Briejs had assumed, as large numbers of artisans and entrepreneurs were only at the beginning of their careers. H. Kaptein added that in the textile industry, innovations did not come from Southern migrants alone, but also from Northern Netherlands and German migrants.21 The continuity in the development of the North was thus more robust than had previously been assumed.
Furthermore, there were conflicting views regarding the impact of Spanish trade embargoes during the Eighty Years War. In his survey into the effect of war on Dutch trade, F. Snapper emphasized the harmful effects of the 1598 embargo. In Israel’s opinion, the embargo of 1621 had an immense impact, not only on the Dutch economy, but also on the European economy as a whole. While neither denied the possibility of route-smuggling, they attached little weight to it. Previously, however, J.H. Kernkamp had shown that much of the trade continued due to the high volume of smuggling. J.G. van Dillen argued that Dutch merchants simply employed the flags or ships of other nations and used alternative routes, for example via Hamburg or Bordeaux. Though vexing, the trade embargoes may well have had much less impact than the Spanish Habsturts had hoped.

The Spanish also waged economic warfare by attacking Dutch ships directly from their marine base at Dunkirk. The dominant historiography placed great emphasis on the damaging impact of the Dunkirk privateers on the herring trade, the losses allegedly being so substantial that the herring fisheries were unable to recover after the war. It was thought that there had been between 1,500 and 3,000 herring busses at the end of the sixteenth century, while in 1650 only 550 were left; figures that in themselves left little to the imagination. H. Krakenburg, however, showed that there could not have been more than 400 or 500 Dutch herring busses in the last three decades of the sixteenth century. His study pointed to a possible wartime rise after 1600 and a possible wartime decline after 1630, with the implication that there was little real difference in the numbers before and after the war. In addition, the decline after 1630 was not caused only by the Dunkirk privateers, but might also have been brought about by lower demand for herring or by migration of the herring near the Norwegian coast. The activities of the Dunkirk privateers thus only reinforced the existing decline in the opportunities for the herring fisheries. Neither did the difficulties in herring fishing entail an absolute loss. Rotterdam’s fishermen found ready employment in other shipping trades, while in Schiedam, fishermen entered the booming brandy industry. The wartime economic policies of the Spanish were not unimportant, but neither do they seem to have been devastating.

Comparable debates resurfaced regarding the trade blockade imposed by French customs officers during the Napoleonic wars. Most historians observed an enormous decline in trade, an interpretation exemplified in, among others, L. van Nierop’s article on the number of vessels arriving in Amsterdam. However, her figures depended solely on the Koopman-en Zeetijdingen, an official newspaper that is likely to have excluded trade by other means. By contrast, J.J. Brugmans used statistics from harbors in the Baltic and England, rather than Amsterdam or Holland, to demonstrate how Dutch shipping continued through smuggling or the use of alternative routes, often via inland rivers. This viewpoint was corroborated by new statistics produced by J.L. van Zanden and A. van Riel, which suggested that Dutch shipping companies adapted to the new situation in a flexible way. Trade only started to decline slowly from 1807 onwards, reaching a sudden and almost complete standstill from 1811 to 1813 (in itself, a relatively short period). Even then, hardship for some meant profits for others in the Netherlands. Because overseas shipping drew to a halt, the grain trade in ’s-Hertogenbosch flourished.

Ultimately, Dutch historians came to attach less blame to French war policies for the decline, although war did account for the occasional sharp fluctuation. J. de Vries and A. van der Woude held the ‘accumulated and unattended weaknesses’ of the old Republic responsible, while Van Zanden and Van Riel saw the structural incapacity of the state institutions as the chief culprit, not least the decentralized structure of the government.

27 Leonie van Nierop, Amsterdam’s scheepvaart in de Franschen tijd, Jaarboek Amstelleda- num 21 (1934) 177-188, 126.
30 Brugmans, Paardenkracht, 40.
31 De Vries and Van der Woude, The first modern economy, 689; Van Zanden and Van Riel, Structuren, 16, 85.

' T H A R T
This is what caused the structural decline in this period, and not the war in itself or the French blockades.

Wartime options: high taxes and innovations in public finances

For decades, research in the field of war finances was predominantly descriptive. Up to the 1970s, the most far-reaching observations concerned the utterly chaotic nature of Dutch early modern taxation. Indeed, some scholars argued that the fiscal organization of the Republic did not even deserve to be called a ‘system’. As a result, most historians simply based their analyses on the institutional incapacity of the Dutch state. Another recurrent interpretation concerned how high war-related taxation had contributed to the eighteenth-century decline, hindering industrial development above all else. This idea was given a more analytical basis in J. Mokry’s comparative study on industrialization: the high cost of labor, caused by high taxes, was likely to have been a factor holding back the industrial revolution in the Northern Netherlands.

The late 1980s saw new approaches, stimulated by the work of the New Institutional Economists and the historical sociologist C. Tilly. War finances were increasingly studied in relation to political economy. The improved state capacities resulting from such high duties were not regarded as merely negative, but perceived as substantial innovative achievements in the formation of political power and control. The early commercialization

and urbanization of the Low Countries enabled the widespread development of new excise taxes, based on the example of urban finances. The flexibility of this fiscal instrument helped to make government relatively efficient, a view that contrasts sharply with the earlier interpretation of an inefficient state with chaotic taxation. The high rate of extraction per capita in Holland permitted the imposition of far lower tax burdens in the more peripheral areas, which in turn lowered the threat of secessionist revolts. Viewed in this way, A. Kappelhof’s conclusions regarding the low tax burden in Brabant overturned the age-old assumption that this region had been fiscally over-exploited by Holland.

The rise of public debt, enabling urgent wartime expenses to be spread over a longer period of time, was another innovative aspect of state finances in the Netherlands. The American historian J. Tracy called the ease with which the sixteenth-century States of Holland could raise voluntary government wartime loans a ‘financial revolution’. Having a well-managed system of public debt gave small republics a crucial comparative advantage over larger territorial states for at least three centuries. The latter lacked the proper control mechanisms in the form of representatives from the investing public. Tracy’s thesis regarding the revolutionary aspect of this precocious institutional development prompted a number of scholars to react, offering an adjustment in time (regarding earlier developments) or questioning the role of taxation and the private investment market.

36 ‘t Hart, The making.
37 A.C.M. Kappelhof, De belastingheffing in de Meierij van Den Bosch gedurende de Generaliteits-periode (1648-1795) (Tilburg 1986).

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The innovations in taxes and public loans gave substantial backing to the wartime finances of the Dutch Republic and enabled it to become independent, alongside the rise of a burgeoning capital market. Over time, the redistribution of wealth caused by the rise of a massive public debt widened the divide between rich and poor in the Republic. Large flows of funds were in fact channeled from lower-class taxpayers, who contributed disproportionately to the excises needed to pay the debt charges, to a much smaller number of wealthier bondholders. The lack of centralized state control hampered further improvements over time, such as obtaining a more equal tax burden over the different classes and over the whole territory of the Netherlands. In this respect, the earlier ‘incapacity thesis’ of Dutch fiscal institutions came to the fore again. True modernization only came about during the wartime pressures of the Napoleonic period, another innovation connected to the effects of war. T. Pfeil even presented the subsequent financial centralization as the critical issue for the survival of the Netherlands into the nineteenth century.

In the twentieth century, the state’s capacities increased substantially during the two world wars. Initially historians used the term socialiserings (socialization); later on, the phrase ‘the end of the nachtwakerstaat’ (the night-watch state, i.e. a state with limited tasks) came into vogue. The Dutch state finances became more efficient during the First World War, thanks to the introduction of the first income tax, among other things. Ideas for more active government that had not been executed previously were given a wartime boost, such as ambitious plans for housing the poorer classes, the drainage scheme for the Zuidzee (which would create large new areas for agriculture), the merger of railway companies and national plans for health insurance. This increased capacity regarding meeting the aggregate needs of ordinary inhabitants was consistent with the Peacock and Wiseman hypothesis.

Fiscal innovations during the Second World War were also noticeable. After both wars, taxation constituted a higher proportion of the national income than had previously been the case, which was again consistent with the Peacock and Wiseman hypothesis. The German occupation, in particular, resulted in a more equitable taxation system, with enterprises and the well-to-do paying higher duties and families with children lower rates than before the war. Over time, historians thus observed substantial wartime innovations and improvements in public finances, which led to improved state capabilities.

Wartime stimuli: incentives for economic progress

Most historians, however, remained focused on the immediate negative effects of war, and not least its destructive aspects. For example, L. Noordegraaf underscored the close interrelation between wartime threats, inflation, scarcity and the political turmoil of the late 1960s. An article by W. Brzez enumerated the losses of the Eighty Years War; his results indicated a net loss of 15 per cent in trade and 16 per cent in industrial production for both the North and the South. Recent research has also demonstrated in convincing detail the devastating consequences of the military inundations for the Schelde estuary in the late sixteenth century.

The focus on war’s negative impact on the economy is easily explained. Because potential demands for tax reductions or financial support mean that war damage is well-documented, the beneficial effects of war are more difficult to grasp. Patriotism is also to blame for exaggerations, for example, the well-known dark legend of the devastation caused by Montecuccoli’s
invasion of the Veelhe in 1629 has recently been discarded as a figment of historical imagination.48

Remarkably few scholars have questioned how the Eighty Years War could coincide with the economic growth of the Dutch Golden Age. G. Parker reasoned that without the war, economic growth would simply have been far more substantial.49 This hypothesis is impossible to substantiate, and also doubtful, as political independence was crucial for the establishment of a favorable political economy that enabled substantial economic progress in the short and long term. J. Nef’s answer to this question focused on the fact that the Dutch managed to keep the actual warfare outside their own borders.50 This is not convincing either; in view of the numerous states that suffered recurrent economic crises because of wars fought in other territories.51

A more plausible explanation concerned wartime redistribution, as noted in the introduction to this chapter regarding Milward’s work. Holland’s wartime trade obviously profited at the expense of inland trading communities. A gradual shift from continental to overseas trade had been in progress before the war and the temporary rise in inland customs duties meant that the war hastened this development. The continental trade that had enriched inland towns such as Deventer was rapidly replaced by shipping along the maritime coast.52 Another redistributive effect was noted in industry. For example, the devastating scorched earth campaigns of Dutch state troops in the Meierij did not hamper the precious development of Tilburg’s wool trade. This industry represented the progress towards finer and better-quality cloth, which gradually replaced the coarser textiles of nearby proto-industrial centers. When troops destroyed the looms of the latter, changes in the wool trade made it difficult for them to recover.53 Such trends were not caused by the war, although war may have aggravated the downward fluctuations of outmoded production centers.


56 Pepijn Brandon, Masters of war. State, capital, and military enterprise in the Dutch Cycle of Accumulation (1660-1795) (Amsterdam, Dissertation University of Amsterdam 2013).

57 Snapper, Oorlogsvoorbereid, 50.

against hostile threats and control over domestic violence, comparable to the theses of Lane and of North, Wallis and Weingast referred to above.

The rapid rise of the Dutch arms market during the war has been acknowledged as undoubtedly having had a positive effect on the economy. V. Barbour even connected this trade to the rise of capitalism, not unlike Sombart's thesis mentioned in the introduction.60 The work of Klein and M. de Jong described this precocious development in detail. The enormous, growing demand by the army and navy for arms was standardized around 1600, with canon and muskets of similar caliber and warships of the same size, which resulted in an extraordinarily open and transparent market. While production received a boost thanks to the establishment of close links to the Swedish iron industry, workshops were encouraged to specialize—by only making grenades or fork rests for muskets, for example—which speeded up production and efficiency. As a result, Dutch weaponry was in great demand all over Europe; the country's producers could supply all the equipment needed for armies numbering several thousands in just two or three months.61 H. Vogel estimated the contribution of the arms trade to Dutch seventeenth-century GDP at around 5 per cent.62

With the expansion of the army and navy, a growing number of entrepreneurs became directly involved in supplying the military. Thanks to the mature institutional arrangements in Dutch contracts, entrepreneurs were able to enjoy the fruits of these investments even over the very long term, such as the Machado-Pereira company that delivered bread to the troops, or the financial middlemen who provided the necessary short-term loans for the captains of the troops.63 In most other countries, the average wartime profiteer only enjoyed such wartime fruits for a short or intermediate period, as their rulers were rarely as reliable customers as the Dutch authorities were.

Scholars also regarded wartime colonial trade as advantageous, with the East India Company (VOC) as the obvious champion of Dutch successes. However, the interpretation of the West India Company (WIC) has undergone a major revision. For a long time, the WIC was looked on as a failure, but recent research has shown how successful the WIC was in paving the way for the Dutch merchant community in the Atlantic, particularly in relation to the strategically located island of Curaçao, which evolved into the largest slave market in the Caribbean. As a result, Atlantic trade turned into one of the more vibrant sectors of the Dutch economy in the eighteenth century.64

For many years, the dominant description of the Napoleonic Wars was that of a period of 'uninterrupted agony' caused by wartime slump and depression. Trade collapsed, industries had to close down and fisheries disappeared. Only farmers seemed to escape this ordeal, as their businesses flourished when agricultural prices rose.65 Gradually, an alternative interpretation emerged. Historians started to notice the advantages of diminishing British competition, which proved favorable to Dutch textile industries. The opening up of markets in Belgium and France gave a boost to the previously languishing economies of Brabant and Zeeland. New trades sprang up, for example in beet sugar and chichory. The steam engine was used for the first time in the industrial sector.66 These findings paved the way for a new interpretation. The overall economic decline during this period was modest. By the beginning of the Napoleonic Wars, the largest export-oriented industries had already disappeared and the remaining small-scale and artisanal industries, oriented towards local and regional state', International Journal of Maritime History 25 (2013): 249-248, there 346; Iedem, 'Finding solid ground for soldiers' payment: "Military soliciting" as brokerage practice in the Dutch Republic (c.1600-1795); in: Stephen Conway and Rafael Torres (eds.), The spending of states. Military expenditure during the long eighteenth century: Patterns, organisation, and consequences, 1650-1815 (Saarbrücken 2011) 51-82.
65 H.F.J.M. van den Eerenbeemt, De Patriottische-Bataafse-Francije tijdens (1788-1807); in: J.H. van Stuyvenberg (ed.), De economische geschiedenis van Nederland (Groningen 1977) 157-209, there 176; Brugmans, Paardenkracht, 42-43. Steam engines had already been used for drainage works.
markets, were able to adapt to wartime circumstances. Therefore, pre-war structural weaknesses were to blame, not so much the war itself.

For a long time, the historiography of the Second World War also remained focused on 'the road of pain and suffering' (drijversweg). The Nazis forced numerous Dutch laborers to work in German industries. Thanks to existing stocks, the situation was bearable in the initial years of the war. However, thereafter the situation deteriorated rapidly, with the result that by 1944, Dutch national income had declined to 60 per cent of its 1938 level and production levels in agriculture and industry were less than half of those of 1938. In the last year of the war, the Nazis seized the remaining industrial equipment for their home country.

The first aspect to undergo a thorough revision was the food situation. In contrast with the First World War, the distribution of food had been prepared in such detail when the threat of war arose in the late 1930s that contemporaries claimed the Dutch continued to receive adequate portions of food with a reasonable calorific intake, at least up to the winter of 1944-1945. Soon after the war, however, the historiography was dominated by descriptions of the intolerable suffering borne by the population. L. de Jong, the country's official war historian, placed sole emphasis on the exploitative character of the German occupation. Enormous amounts of food were supposedly transported to Germany, leaving the Dutch with coarse, tasteless products and threatening large parts of the population with undernourishment. In 1985, G. Trienekens openly questioned L. de Jong's interpretation. The Dutch hongerwinter of 1944-1945 was indeed severe for the urbanized western part of the country, but overall, the food situation remained reasonable up to the autumn of 1944. The diet of the poorer classes is likely to have even improved in comparison with the pre-war period, since the regulations favored more equal distribution of basic products and stimulated the consumption of vegetables and fruit.

66 Ibidem, 42 and 50; De Vries and Van der Woude, The first modern economy, 337, 685.
70 G.M.T. Trienekens, 'Passen ons volk en de honger. De voedselvoorziening 1940-1945' (Utrecht 1985) 48, 499-511. See also Ralf D. Patschauer, Lard, lace and longevity: A comparative study of the

In the meantime, a re-reading of the overall wartime economic experience remained problematic, as most historians continued to rely strongly on the figures from the Central Bureau for Statistics (CBS). Van der Leeuwen's 1954 study on the leather industry had already criticized the wartime CBS figures for under-recording: not all leather stocks had apparently been reported to the authorities (and thus to the CBS). It took almost four decades, however, for such criticism to gain wider historical support. In the 1990s, B. van Ark and H. de Jong showed that the war damage must have amounted to only 8.6 per cent of pre-war investments, a figure that was much lower than that calculated by the CBS. M. Knibbe also adjusted the CBS figures, coming up with a substantially higher rate of agricultural productivity during the war.

The comprehensive study by H. Kliekens on the war economy (2002) was based on yet more data, such as company's annual reports and the numbers of employees. His figures showed that 1941 and 1942 were boom years, thanks to vast German investment. A decline followed, but this was not as dramatic as had previously been assumed: 14 per cent vis-a-vis the GDP of 1938, much lower than the earlier CBS calculations of 40 or 50 per cent. In his analysis, production on the black market was shown to be much higher than assumed, even as high as 20 to 25 per cent for industries and services and 40 per cent for agriculture. This should be included in the overall assessment of the wartime economy. The period of slump (1944-1945) was hard, but relatively short. The service sector fared quite well (medical services, servants, artists, shopkeepers, etc.) and the strong banking sector acted as a major buffer. Entrepreneurs proved to be quite inventive and adapted surprisingly rapidly to the new circumstances. Thanks to the substantial German investments in the initial years of the war, unemployment shrank
markedly, while industrial productivity and capacity expanded, not least because of new research and development facilities.73 By the early 2000s, historians were accordingly viewing the Second World War as having been less devastating for the economy than previously assumed. With a lower level of wartime decline, the rapid recovery after the war was also substantially less ‘miraculous’ than had previously been thought.74

Shifting trends in the historiography on war and economy

Why did it take so long for a more positive reading of the economic effects of war to emerge? Why did scholars overlook the remarkable coincidence of the seventeenth century Golden Age with costly warfare? The causes are not difficult to find. Historians were guided by archives storing abundant documents on the damage caused by war, which were kept because of possible demands for reparations. Official statistics failed to take into account the black market, smuggling, the re-routing of trade, the rise of innovative management and new industries. Patriotism also took its toll. For decades, wars served as moral yardsticks for right and wrong. The fiery popular reaction to Trienekens’ revision of the food situation during the Second World War, for example, showed the moral impediments to identifying the positive features of the deeply despised Nazi occupation.75 It took decades for historians to realize that other records were needed in addition to the official statistics of port authorities or the CBS. Such data required inventive new research tools and methods.

Gradually, an increasing number of scholars stopped blaming war itself for all the downward trends in wartime. The last twenty or thirty years have seen more nuanced visions, often stimulated by the impact of comparative studies and models from the social sciences. Influential scholars such as North, Tilly and Mokyr used the Netherlands as a case study for their own theoretical insights, inviting Dutch scholars to respond. International academic interest in the history of the Netherlands flourished. Thanks to the influence of the ‘New Military History’, military historians also took the societal impact of warfare into account. Increasingly, the focus included topics such as wartime innovation and efficiency in government, industry and trade. It seems that the existing political economy strengthened societal resilience, and entrepreneurs and consumers proved quite inventive, adapting to the new circumstances. Expenses related to the army and navy proved not merely detrimental, but actually strengthened domestic production and demand, enabling wartime booms such as those of the Golden Age and the years 1941 and 1942.

Economies do not fall apart the moment that war breaks out. Wars hampered certain aspects of production and trade, but other sectors were able to grow thanks to the redistributive consequences of war. Even then, the analysis of beneficial economic features is still a subject of debate, in particular regarding the Eighty Years War and the Second World War. In comparison with the earlier decades of the twentieth century, however, the discussion is notably enriched by new viewpoints and approaches that enable a more balanced opinion on the impact of war on the economy.

About the author

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