CHAPTER 4

Conflict and Decline, 1620–1703

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Introduction

This chapter deals with the period from 1620 to 1703, which coincides with the later phase of the displacement of the core of European economic activity from the Mediterranean to northern Europe. The period has long been described, namely by Hobsbawm (1965), as one of crisis, or a succession of crises, but that interpretation has been rejected by subsequent scholarship. Currently there is a more diversified interpretation of the 17th century, according to which growth and depression occurred in different periods and regions across Europe.1 Indeed, economic conditions differed, and a divergence can be observed between economic development in Western and Mediterranean and Eastern Europe. There were, on the other hand, “opposing conjunctures” between Europe and Iberian America (Romano 1992). It is in the context of these general transformations that the Portuguese economy will be analysed, while providing a perspective for studying the interplay between the European and the Atlantic economies. The chapter starts in 1620, the year traditionally associated with a normalization of the country’s economic conditions, and ends in 1703, with the signing of the Anglo-Portuguese commercial treaty in the context of the War of Spanish Succession, which reinforced the alliance between the two countries and consolidated their commercial links.

To understand how this period was lived through in Portugal, we need to analyse the specific national economic and social constraints stemming from the new position occupied by the Iberian Peninsula in the context of the European correlation of forces.2 The combination of the different factors can be summarized in four points. First, we need to take into account the international competition over the control of the main sources and flows of goods, carried out mainly by the Dutch East India Company (founded in 1602) and the Dutch West India Company (founded in 1621), which directly affected Portuguese interests in Asia, Africa and the Americas (Boxer 1969; Subrahmanyan 1993). Secondly, between 1580 and 1640, the union of the crowns of Portugal

and Castile resulted in the military and financial involvement of the kingdom in wars waged by Castile in Europe and in imperial territories (Boyajian 1983; Álvarez 1997). Thirdly, following the restoration of the independence of the Portuguese kingdom from Spain in 1640, a war lasting nearly 30 years ensued, negatively affecting economic activities in the metropole and the income of different social groups (Valladares 2006). Finally, the several commercial treaties signed with England (1654, 1661 and 1703) allowed English protection to safeguard Portuguese independence. But while these agreements consolidated an Anglo-Portuguese alliance, they also established an asymmetric economic relationship linking the two countries: Portugal secured the export of Douro wines to England, and in return imported British textiles (Sideri 1970; Pedreira 1994).

Bearing in mind these four points, this chapter is organized in the following way. The next section addresses the most relevant population dynamics in the period under analysis, giving particular emphasis to migration to imperial territories. The third section examines the place of Portugal within European and colonial trade flows in conjunction with the domestic economy. The fourth section shows the composition of agricultural production, identifying continuities, innovations and constraints. The fifth section discusses some of the trends in agricultural production articulated with market income, the framework of institutional constraints on agriculture, namely ownership and taxation, as well the development of the manorial system. And a final section presents the main conclusions.

**Domestic Settlements and Emigration**

There are no reliable population figures for the 17th century and the existing demographic studies for the entire country do not allow us to draw an accurate portrait of population dynamics in the regions of the metropole. By comparing the numbers presented in the first Portuguese population census of 1527 and the information contained in a chorography drawn up in the early 17th century, we can nevertheless conclude that the Portuguese population doubled between 1527 and 1700. If we take as an indicator an average of 4.3 persons per household, the population would be around 1,216,000 souls in 1527, reaching 2,427,000 in 1700 (see Table 4.1). Furthermore, according to estimates, in 1640 around 1.3 or 2 million people lived in the metropolitan territory. It can thus be argued that there had been a proportional increase in population during the 16th century. This growth was hindered by the mortality crises that occurred in the late 16th century and the first decades of the 17th century.