DEEP HISTORICAL ROOTS OF MODERN INEQUALITY: How the Reconquista still shapes Spain’s economy

The Christian kingdoms’ reconquest of Spain between the eight and fifteenth centuries set in motion processes that generated persistent inequality, which remains evident in big income differences among Spanish provinces today. This is the central finding of research by Daniel Oto-Peralías and Diego Romero-Ávila, to be presented at the annual congress of the European Economic Association in Geneva in August 2016.

The study finds that the inequality created in some parts of the recolonised country constitutes a severe impediment to the requirements for modern economic growth – which is based on entrepreneurship, innovation and the participation in economic activity of broad segments of the population.

From 711-1492, Spain’s Christian kingdoms steadily retook land that had previously been Muslim-ruled in what is known as the Reconquista. Sometimes this newly reclaimed land was shared among settlers; at other times, the land ended up in the hands of a few nobles. Today, these regions are some of Spain’s richest and poorest respectively.

The new study argues that the main cause of this inequality was the speed at which the land was retaken – the ‘rate of Reconquest’. Regions that were retaken quickly needed power centralised among the nobility so as to defend them, and these people continued to stay in control long afterwards.

These regions ended up become more unequal and worse-off than regions that were retaken slowly and could be distributed more fairly. They were ultimately slower to industrialise, continuing a chain of events that led to low growth and even to the 1936-39 Civil War.

More...

Can a historical process that ended more than five centuries ago be responsible for a large part of income differences among Spanish provinces today? The findings of new research to be presented at the annual congress of the European Economic Association indicate that the Reconquista (c. 711-1492) crucially determined the economic development of Spanish regions.

The study by Daniel Oto-Peralías and Diego Romero-Ávila shows that the legacy of history is particularly pervasive in Spain. The way in which the Christian kingdoms colonised the lands conquered by the Muslims during the Middle Ages had crucial consequences for the future development of each territory.

In some stages of the Reconquest, land was well distributed among settlers and jurisdiction rights granted to nobles were sparse. Territories colonised in this way are today among the richest in Spain. In other stages, land and political power ended up concentrated in the hands of the nobility. Regions colonised in this other way are today among the poorest.

What explains these different methods of colonisation? The authors argue that the speed at which the Christian frontier advanced in each period, which they call ‘rate of
Reconquest, was a decisive explanatory factor in the resulting pattern of land distribution and the concession of jurisdictional rights to the nobility.

Using an historical geographical atlas, they calculate the surface area conquered in each stage and estimate the rate of Reconquest. There exists a strong relationship between the speed at which the frontier advanced and the percentages of landless workers and municipalities under noble jurisdiction, as measured in the eighteenth century. Thus, regions conquered faster gave rise to unequal societies.

A key point to explain this is that large frontier expansions that need to be occupied and defended from the enemy allow the nobility to play a central role in the colonisation of the territory, monopolising large tracts of land and political power. This initial pattern of inequality arising from the Reconquest persisted over time, which explains why there also exists a strong relationship between rate of Reconquest and land inequality measured in the second half of the twentieth century.

The findings of the study support the idea that historically rooted inequality created the conditions leading to the exclusion of large segments of the population from participating in the economic opportunities that opened up with the arrival of industrialisation.

Provinces featuring high levels of inequality fell behind during the industrialisation period. Thus, the Reconquest set in motion processes that generated persistent inequality, constituting a severe impediment to the requirements for modern economic growth, which is based on entrepreneurship, innovation and the participation in economic activity of broad segments of the population.

The consequences of the Reconquest have weighed heavily on the history of Spain not only from an economic perspective. As Gerald Brenan argued in *The Spanish Labyrinth*, the extreme level of land inequality, the miserable living conditions of landless workers and their subsequent political radicalisation are at the heart of the causes of the 1936-1939 Civil War.

Finally, this study is also appealing from the point of view of the literature on colonialism, because it gives clues about the colonisation of the New World. When Spain colonised Central and South America, it had the long experience gathered in the Reconquest.

The policy of distributing large estates and political privileges, as applied in Spain since the mid-eleventh century, is a foretaste of what would later be implemented in the New World. A clear example of this is the institution of the ‘encomienda’, initially employed in Southern Spain and later exported to America.

ENDS