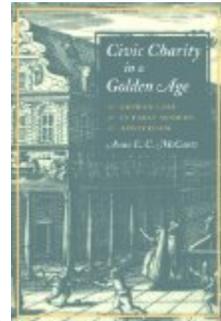


H-Net Reviews

in the Humanities & Social Sciences

Anne E.C. McCants. *Civic Charity in a Golden Age: Orphan Care in Early Modern Amsterdam*. Urbana and Chicago: University of Illinois Press, 1997. viii + 281 pp. \$36.95 (cloth), ISBN 978-0-252-02333-0.

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This is a fascinating book, casting light on a variety of issues in addition to its immediate subject: it is an economic history of the Municipal Orphanage of Amsterdam, the Burgerweeshuis, covering the period from the Republic to the Napoleonic Wars. As well as giving insight into the nature and role of charitable organizations in any context, the book casts light on the general historiography of early modern society in Amsterdam. Its arguments are based on econometric analysis of primary data, subtly supported by qualitative evidence. A number of annual series are included, likely to interest scholars working in apparently unrelated areas, including early modern labour and asset markets, and the impact of a market economy on social relations and consumption patterns. The book is one of a number of new texts using new sources of microeconomic data in innovative ways, to shed new light on “old chestnuts” as well as to open new questions.

Anne McCants (Associate Professor of History, Massachusetts Institute of Technology) analyses the Burgerweeshuis as an institution playing a key role in social relations as they developed in the market economy of early-modern Amsterdam. She argues that as the market economy developed so too did a “middling class,” whose members were more affluent than the poor underclass but who were also in a precarious position, vulnerable to the risks and hazards of the early modern economy which might send them back to poverty. The risks faced by individual families increased over time, with the growth of separate, nuclear-family based households. A structure built around this type of household made the children of middle-class parents particularly vulnerable to the risk of downward mobility if their parents died.

A self-appointed elite governed both the poor and middling classes in early modern Amsterdam. Although not enfranchised, the middling classes were vital to the position of the elite, since they comprised about one third of the work force and paid a substantial proportion of the total excise taxes, the main source of public revenue. McCants argues that the stability of the overall social structure (and the position of the elite) required the acquiescence of the middling classes, which in turn required that they and their offspring had security against downwards mobility.

The Burgerweeshuis was important in the resulting implicit social contract between the elite and the middling class. The orphanage was used by the elite to demonstrate their commitment to sharing the risk of the prevailing social structure, by demonstrating that they would not only care for middling class orphans but also care for them in a manner enabling them to remain in the social class of their parents. McCants presents a convincing array of evidence showing that the Burgerweeshuis was designed to support orphans as members of the middling class: unlike other civic institutions, only the offspring of citizens could gain admission; it had demonstrably low mortality; the orphans’ diet was generous, and demonstrably appropriate for citizens rather than the poor; and the Burgerweeshuis orphans were trained for and helped into employment appropriate to their parents’ class.

The Burgerweeshuis was run by a set of regents, who were almost without exception individuals appointed from the Amsterdam elite. Professor McCants shows that the private benefits associated with being a regent of the orphanage were sufficient to explain the involve-

ment of individuals, and in doing so avoids the Scylla of explaining charity in terms of altruism (which too readily turns into a tautology) and the Charybdis of an explanation based on group interest (which is subject to a free-rider problem). The Burgerweeshuis was attractive to members of the elite wanting to use an orphanage post to position themselves for appointment to higher civic officers, which they could do by “networking” (far more elegantly described by Anne McCants as using “the myriad opportunities for sociability it afforded” [p.110]), and by demonstrating their managerial talents. The latter were exercised partly through their day-to-day management performance, and partly through their stewardship of the orphanage’s financial assets: in accordance with the Parable of the Talents, regents speculated in commodities markets, speculating on both inter-seasonal and annual variation in grain prices.

The evidence used by McCants to confirm that the consumption standard of the Burgerweeshuis orphans was consistent with that of their middle class peers is drawn from detailed archival work, and analysed by estimating annual demand functions for different periods. Modelling the orphanage as a single decision-making unit, analogous to a household, is consistent with neo-classical consumer theory given McCants’ argument (albeit one used in another context) that heads of private households and regents were both equally dictatorial about their dependants’ consumption. Early modern charities were certainly designed as virtual households. (The governors of the Middlesex Hospital in London, for example, referred to the hospital as “the house”). The demand function of a representative eighteenth century household and that of the Burgerweeshuis might, however, differ in two respects. First, individual regents were attached to the Burgerweeshuis “household” for only a finite period: depending on how they were monitored and the relationship between different regents, demand may have exhibited the equivalent of what the Public Choice literature calls a “Political Business Cycle.” Second, the orphanage was likely to face significantly less year-on-year financial instability than a private household, given its high, stable-asset income.

One of the consequences of having a relatively stable annual income was the ability to speculate on inter-year price variations, and this is incorporated into the demand functions discussed in Chapter 6. I am not familiar with the specific techniques underlying the model used to derive income and price elasticities, so the difficulties I found in interpreting the results may reflect my ignorance. The interpretation of the coefficients given in

the text was not easy to relate to the coefficients actually presented in tables 32 through 34 and in appendix E (not appendix D as cited in footnotes). It is not, for example, clear why the text asserts that legumes were the sole Giffen Goods. In general, this chapter lacked the clarity of other chapters and its use of econometric techniques was less transparent (compared with, for example, the use of a Hazard Model used in Chapter 5).

The high and stable asset income referred to above was a defining characteristic of the Burgerweeshuis since, as McCants discusses, it freed the orphanage from the need to attract current benefactions. (Over the whole period, current benefactions comprised on average only 16 percent of current income.) This finding gives important insight into the role of charity in early modern Amsterdam. A number of scholars have noted an outpouring of charity during this period, recently attributed to the need to ease a “cultural tension” between accepting wealth as a gift from God on the one hand, and guarding against its potentially corrupting influence on the other. McCants’ analysis suggests that in the Burgerweeshuis charity had an indirect moderating influence: that it did not provide a safe outlet for wealth, but rather a vehicle for demonstrating the possibility of simultaneously maintaining adequate consumption and a frugal investment policy. (It is also noteworthy that the resources so carefully managed by the regents originated in confiscated Catholic endowments.)

This is an important insight, serving as a reminder that charity always and everywhere succeeds in its own terms. As McCants points out in the first chapter: “We thus focus not on the ‘ethics of charity’ but on the ‘logic of charity’ as manifested in specific practices at a particular historical moment” (p. 25). A charity which is dependent on current benefactions can be successful in the long term (i.e. survive) only if it is able to attract sufficient funds by appealing to donors. The Burgerweeshuis was freed from this constraint, but was nonetheless successful in its own terms. The Burgerweeshuis did not provide poor relief, but rather prevented middle class children from sliding into a position where they might need poor relief. The regents succeeded, not in generating donations, but in their stewardship of resources as individuals tried to signal their suitability for higher office.

Although the substance of the book draws primarily on consumer theory, the work also has implications for the economics of charity, a body of literature introduced in its first chapter. McCants does not explore this link, but the type of analysis she presents is vitally im-

portant to modern public policy. Microeconomic studies, utilizing long data series, provide vital information about how and why institutions change. They show what charity can do, and highlight its limitations. They help us to understand the institutional and organizational prerequisites to efficient markets: McCants' analysis suggests that in the long term markets are prevented from imploding only if they are accompanied by appropriate complementary institutions. As she argues, the traditional view that the moral and capitalist economies operate in separate spheres is inaccurate. They coexist with and, as is beginning to be argued by some modern industrial

economists, cannot operate in the absence of, institutions consistent with a minimum level of co-operation. As an organisation, the Burgerweeshuis therefore formed an important part of the institutional framework facilitating the operation of a market economy in early modern Amsterdam, as do appropriate institutions in modern market economies.

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