The Capitalist Spirit Unfettered:
Honor, the Doctrine of Providence, and Late Medieval Italian Merchants' Profit-Seeking Behavior

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On the basis of this thesis and of
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[signatures]

For the memory of Paula Justl (1947-2005), with love

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Chapter One: Misunderstanding Merchants

The late medieval Italian merchant is one of the most misunderstood figures in history. Operating in a complex world filled with forces such as religion and honor often placing inconsistent demands on his behavior, the late medieval Italian merchant managed to overcome the difficulties and contradictions of his environment, and embody the set of qualities commonly referred to as the capitalist spirit. Through the behavioral code of honor, which accommodates seemingly incongruent secular and religious motivations, merchants were able to solve the thorny question of how to pursue wealth without sacrificing their salvation. They ceased to be the scourge of society they had been in the early Middle Ages, the inevitably damned and despised usurer class. By the fourteenth and fifteenth centuries, they had become respectable societal leaders, a caste to emulate rather than scorn. New kinds of behavior cannot explain this shift in societal perception of the merchant class; indeed, late medieval Italian merchants pursued wealth as merchants had always done through a combination of arbitrage, manipulation, skill, and plain luck. What changed was the environment of Italian society. The confluence of crises in the fourteenth and fifteenth centuries resulted in new implications for previously existing behavioral codes, resulting in an environment in which honorable pursuit of wealth was not damnable, but praiseworthy, in which the capitalist spirit could burst free of the constraints of the earlier Middle Ages. The ethical code of honor was integral to this shift.

Honor for businessmen was the exemplification of certain values in pursuing wealth. The defining features included thrift, initiative, modesty, fair conduct, and at least outward respect for religion's demands. Even though not every merchant individually

articulated all of these features in his writings, these themes recur constantly in merchants' diaries and other primary sources. This prevalence implies the existence of a collective understanding of what constituted honorable economic behavior, even if merchants did not always express all the features of honor as a code of conduct in their writings.

Perhaps more than any other historical figure, the late medieval Italian merchant is often associated with stereotypes ranging from sinful businessmen motivated solely by greed to primitive barterers completely blinded by Catholic religious beliefs. That late medieval Italian society was highly religious is undeniable – the explosion in church construction in the fourteenth and fifteenth centuries, which were often funded by merchant families such as the Medici of Florence, provides copious evidence of the pervasiveness of religion. Nevertheless, despite its influence in Italian society, religion did not wield complete control over merchant life. It did not exclude adherence to other sets of motivations such as honor, contrary to the stereotypes commonly associated with the character of late medieval Italian merchants. While these stereotypes insist that religious piety and pursuit of wealth were mutually exclusive for late medieval Italian merchants, copious evidence demonstrates otherwise.

A major barrier to scholars understanding the late medieval Italian merchant has been the divide between scholars in the fields of economics and history. While a small cadre of economic historians has attempted to combine the best of both these fields to understand elusive historical characters such as the late medieval Italian merchant, the discipline remains dominated by economists with often flawed beliefs regarding the origins of capitalism and the capitalist spirit. Without an understanding of the context of

late medieval Italy, the attitudes toward and behavior of merchants is incomprehensible. Accordingly, these scholars overlook the connection between economic behavior and honor because they assume incorrectly that the behavioral codes of past and present humans were very similar, if not identical. Even though behavioral codes have similar names such as "honor" across time, the implications of these codes differ vastly because of the unique environments in which they existed. A late medieval Italian merchant would have had a much different understanding of the demands of honor than a modern-day businessman does. Hence, viewing the economic behavior of the late medieval Italian merchant independently of his societal context will not suffice. In this regard, much of the scholarship that attempts to understand the late medieval Italian merchant is deeply flawed. This is unfortunate since explorations of the connection between economic behavior and behavioral codes such as honor have the potential to yield valuable insights into the attitudes of businessmen in different ages toward the process and fruits of accumulating wealth. Additionally, an understanding of the societal context of past businessmen is also important because it enables scholars to look past prominent institutions such as the church and recognize the simultaneous coexistence of seemingly incongruent behavioral codes. A richer understanding of the reality of daily life for past businessmen results from a nuanced understanding of the different behavioral codes at work in societies. Instead of rejecting the complexities of daily life for economic actors, scholars ought to embrace the wonderful contradictions that form the tapestry of daily life in any age. By doing so, scholars will gain both a better understanding of the problematic reality faced by businessmen in past ages and an increased appreciation of the nuances behind economic behavior in their own time.

A common error by scholars who attempt to understand the behavior of late medieval Italian merchants is the flawed manner in which they handle the question of the influence of religion on merchant behavior. In most scholarly works on this subject, religion is the center around which arguments revolve: either the presence or absence of it accounts for the behavior of merchants. To generalize, the prevailing sentiment in scholarship seems to be that if religion influenced merchant behavior, then merchants were incapable of pursuing wealth in a rational, systematic manner embodying the capitalist spirit. Likewise, most scholars who argue that religion had no influence on merchant behavior believe that merchants cared little for their own salvation and sought wealth no matter how ill gotten. The existence of both of these regrettably simplistic views on merchants has produced a polarized environment in scholarly discourse on late medieval Italian merchant life.

Two schools of thought dominate this debate: the traditional view and the modern view. The traditional view argues that Catholicism dominated the actions of medieval merchants and prevented the development of a rational business ethic: medieval merchants were unable to reconcile religious piety and pursuit of wealth.[1] Proponents of the modern view present the opposite opinion, yet reach the same conclusion. They argue religion had no influence on late medieval merchants, who supposedly chose the path of worldly wealth over the path of religious piety.[2] Hence, concerning the characteristics of the late medieval merchant, both sides would agree that "religious businessman" is a misnomer: a merchant could be wealthy or pious, but not both at the same time. This

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[1] See, for example, Max Weber, *The Protestant Ethic and the Spirit of Capitalism*, trans. Talcott Parsons (London: Routledge, 1930).

[2] See, for example, Henri Pirenne, *Medieval Cities: Their Origins and the Revival of Trade*, trans. Frank D. Halsey (Princeton: Princeton University Press, 1952).

thesis hopes to show that the assumption that pursuit of wealth and desire to avoid sacrificing salvation were diametrically opposed influences is not necessarily true. While there are many reasons behind scholars' failure to perceive the complexity of the mercantile profession in late medieval Italy such as an unfortunate tendency to view the Middle Ages only in the context of later events such as the Renaissance and Reformation, the end result of it is a body of scholarship based upon flawed assumptions and mischaracterizations of the complex nature of merchant life.[3]

All attempts to grapple with the behavior of late medieval Italian merchants must begin with the Weber thesis. Max Weber argued that before the Reformation, the forces of "traditionalism" dominated businessmen, making them seek only to fulfill "traditional needs" and expectations: "He [the medieval businessman] did not ask: how much can I earn in a day if I do as much work as possible? But: how much must I work in order to earn the wage...which I earned before and which takes care of my traditional needs? This is an example of what is here meant by traditionalism."[4] Hence, Weber implied that medieval merchants were neither innovative nor dynamic figures: they endeavored only to maintain their social status. To Weber, Catholicism was the cause of this prevailing sentiment.

According to Weber, Catholicism and the "spirit of capitalism" were incompatible because Catholicism frowned on the desire to acquire wealth in a systematic manner as part of a person's calling.[5] This "spirit" is the union of a person's economic self-interest and religious sentiments: those motivated by the "capitalist spirit" endeavor to maximize

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[3] See Donald Sullivan, "The End of the Middle Ages: Decline, Crisis, or Transformation?" *The History Teacher* 14, no. 4 (Aug. 1981): 551-552.
[4] Max Weber, *The Protestant Ethic and the Spirit of Capitalism*, trans. Talcott Parsons (London: Routledge, 1930), 24.
[5] Weber, 34.

their wealth because of their religion. Although Weber acknowledged that businessmen pursued wealth before the Reformation, he believed they were motivated only by greed since they pursued wealth because of avarice rather than religious devotion.[6] Catholic doctrine could never accept that desire to pursue wealth was praiseworthy or moral; consequentially, medieval merchants often gave away their fortunes on their deathbeds to avoid eternal damnation.[7] Hence, Weber believed that in the Middle Ages, religion was a barrier to pursuit of wealth rather than a stimulus.[8]

Weber argued that there are inherent differences in how Protestants and Catholics view ascetic pursuit of wealth. According to Weber, Protestantism teaches that steadily accumulating wealth is acceptable so long as people pursue wealth out of devotion to a religious calling.[9] The process of acquisition is more important than the material goods acquired.[10] In addition, Weber argued that Protestants valued asceticism, which he said was a religious doctrine that states a person can reach a higher spiritual state by rigid self-discipline and self-denial in pursuit of wealth.[11] Therefore, Protestantism successfully reconciles ascetic pursuit of wealth and religious piety. In short, Weber believed that the Reformation led Protestants to a "rationalization of conduct within this world…for the sake of the world beyond" where the religious calling most pleasing to G-d was the most profitable option.[12] He firmly believed that the development of "worldly asceticism" through Protestantism motivated people to avoid "the spontaneous enjoyment of

[6] Weber, 22-23.
[7] Weber, 34-35.
[8] Weber, xxxix.
[9] Weber, 17-18.
[10] Weber, 18-19.
[11] Weber, 32.
[12] Weber, 100,108.

possessions" and impulsive buying.[13] To Weber, this "worldly asceticism" is the foundation of the modern business ethic, the capitalist spirit, which teaches that people can be simultaneously good Christians and businessmen.[14] However, according to Weber, this desire to acquire out of religious duty does not exist among Catholics even in the modern world. Therefore, rational, ascetic pursuit of wealth is impossible for Catholics since they believe that pursuit of wealth and religious piety are inherently irreconcilable.

Scholarly response to Weber's thesis has largely focused on whether or not the medieval merchant was a "capitalist" individual.[15] Many scholars have ignored the question of how merchants attempted to reconcile pursuit of wealth with religious piety in favor of discussions about the origins of "capitalism" and the "capitalist spirit." Rather than confronting the actual behavior of merchants, many scholars try to understand merchant behavior by trying to box it in within an ideal model of "capitalism" and the "capitalist spirit," despite a general lack of consensus about what exactly these two elusive terms mean. Consequently, scholars often squeeze the complexity of merchant life into an ideal framework that has never existed anywhere in the world.

In general, supporters of Weber's view argue that the medieval merchant could not be a "capitalist." George W. Edwards argues: "Society, no longer tolerant of the economic rules of the Church [after the Reformation], turned to materialistic concepts of life; the individual no longer toiled merely to provide for his limited immediate needs.

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[13] Weber, 115.
[14] Weber, 123.
[15] See C.F. Taeusch, "What is 'Capitalism'?" *International Journal of Ethics* 45, no. 2 (Jan. 1935): 221-234; George W. Edwards, "Scientific Progress and the Evolution of Capitalism." *The Scientific Monthly* 51, no. 1 (Jul. 1940): 65-73; T.H. Marshall, "Capitalism and the Decline of the English Gilds," *Cambridge Historical Journal* 3, no. 1 (1929): 23-33; R.H. Hilton, "Capitalism – What's in a Name?" *Past and Present*, no. 1 (Feb. 1952): 32-43; Frederic C. Lane, "Meanings of Capitalism," *The Journal of Economic History* 29, no. 1, The Tasks of Economic History (Mar. 1969): 5-12.

but, impelled by the new capitalist spirit, worked to satisfy demand unlimited in scope."[16] Hence, Edwards viewed the Reformation as a turning point in Europe's history because it stimulated innovation and economic initiative previously lacking under Catholicism.[17] Edwards described the medieval economy as entirely feudal and characterized by only small-scale, local trade.[18] When Edwards wrote in 1940, this was a reasonable position given existing scholarship. The idea that there was little competition in the medieval economy because of the existence of guilds dominated scholarly thought at the time.[19] Eric E. Hirshler writes that nineteenth century romanticists were largely responsible for this notion: they created an image of the Middle Ages as a harmonious time of "collectivistic social and economic institutions" free of "ruinous" competition.[20] According to this view, medieval merchants were only involved in the trade of luxury goods: therefore, their existence did not bring about widespread economic competition.[21] Indeed, medieval merchants supposedly pursued wealth by exchanging goods between backward areas.[22] Largely due to the idea that medieval merchants owed their livelihood to the backwardness of society, many scholars rejected the notion that these merchants were "capitalists" until the mid-twentieth century.[23] Until then, the supposed "backwardness" of the medieval economy was a major piece of evidence used by proponents of Weber's views on medieval merchants, although it never was as important as their argument about the all-encompassing nature of the medieval church.

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[16] Edwards, 68.
[17] Edwards. 68.
[18] Edwards, 67.
[19] Marshall, 23-25.
[20] Eric E. Hirshler, "Medieval Economic Competition," *The Journal of Economic History* 14, no. 1 (Winter 1954): 52.
[21] Hilton, 37-38.
[22] Hilton, 35.
[23] Hilton, 35,41.

In the mid-twentieth century, the consensus on the "backwardness" of Europe's economy in the Middle Ages began to be challenged. In 1954, Hirshler wrote: "A search of the evidence does not confirm the romantic conception of medieval production. It was neither stable nor static...the medieval producer and tradesman, like the modern businessman, had cause for anxiety. Some of our concepts regarding the sheltered, benevolent atmosphere of the medieval business community will have to be revised."[24] Modern scholarship has gone to great lengths in following up on Hirshler's challenge by dispelling the myth of a competition-free medieval economy. Because of this research, modern scholarship has overturned a major piece of evidence utilized by supporters of Weber's thesis by proving that a dynamic, international economy existed during the commercial revolution of the Central Middle Ages.[25] Present scholarship agrees on this point, one of the few questions on which fruitful discussion and rigorous examination of sources have produced a more accurate synthesis of one important aspect of medieval merchant life.

Despite the importance of this finding, scholars exploring late medieval Italian merchant life have used it in the wrong way. Rather than correcting the flaw endemic to Weber's view of trying to impose a model on merchant behavior, many scholars have fallen into this same trap by insisting that the late medieval Italian merchant was a capitalistic individual because of religion's lack of influence on his behavior. For example, Robert Sabatino Lopez argued, "The lofty ideals of medieval religion were no more, though no less, effective in molding political activity and the way of life than are

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[24] Hirshler, 58.
[25] See, for example, Hilton, 33; Henri Pirenne, *Medieval Cities: Their Origins and the Revival of Trade*, trans. Frank D. Halsey (Princeton: Princeton University Press, 1952); and Howard L. Adelson, *Medieval Commerce* (Princeton: D. Van Nostrand, 1962).

our ideals of democracy, equality, toleration, and progress."[26] This view began gaining popularity beginning in the mid-twentieth century, largely in response to the seminal work of Henri Pirenne. *Medieval Cities: Their Origins and the Revival of Trade.*

Pirenne argued that there was no room for religion in merchants' lives during the "commercial revolution" of the Middle Ages, which began in the tenth century. Because of this commercial expansion, Europe "recovered confidence in the future, and, with that confidence, courage and ambition."[27] By the eleventh century, Europeans were energetic and confident – profitable opportunities seemed to be everywhere for merchants.[28] Merchants' desire for economic gain completely trumped their religious sentiments. As Pirenne wrote on Venice, one of the leading economic centers of medieval Europe, "And with the extension of trade, the love of gain became irresistible. No [religious] scruple had any weight with the Venetians. Their religion was a religion of businessmen."[29] In short, the desire to pursue wealth spread everywhere as the economy of Europe blossomed in the Middle Ages, overcoming all obstacles in its path. Because population increases in the tenth century contributed to a shortage of land for many, numerous people decided to become merchants and pursue wealth out of economic necessity; wherever this occurred, the merchant class arose.[30] Pirenne cited the example of the St. Godric of Finchale as representative of businessmen who arose during this time: Godric pursued wealth without any regard for religious sentiments (at least before he became a hermit and gave up trade altogether).[31] Although the merchant was despised by the feudal

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[26] Robert Sabatino Lopez, "Still Another Renaissance?" *The American Historical Review* 57, no. 1 (Oct. 1951): 2.
[27] Pirenne, 78.
[28] Pirenne, 78-80.
[29] Pirenne, 85-86.
[30] Pirenne, 114.
[31] Pirenne, 116-117.

aristocracy and the church. the merchant class became increasingly numerous and influential over the course of the Middle Ages.[32] The forces of religion did not impede the growth of the mercantile profession. Therefore. according to Pirenne. medieval merchants did not attempt to reconcile religious piety and pursuit of wealth: when faced with both choices, they chose the path of worldly gain. By his insistence on operating with the rubric of the false dichotomy of religion versus wealth, however, Pirenne failed to move beyond Weber and regrettably inspired a generation of scholars to persist in presuming the existence of this false dichotomy.

Pirenne's flawed reconsideration of Weber's thesis forms the basis of the dominant present view on the connection between religion and merchant behavior in the Middle Ages. Jere Cohen echoed Pirenne's thesis in his argument that "rational capitalism...was born and developed extensively in pre-Reformation Italy."[33] Cohen argued religion did not influence Italian businessmen in the late Middle Ages or Renaissance.[34] Because of this, Cohen wrote that Italian merchants behaved in a "capitalistic" manner during this time since they approached business systematically and rationally.[35] "Rational capitalism" began in late medieval Italy due to secular factors such as the general absence of feudal labor, weak guilds, and a noble class actively involved in commerce.[36] Catholicism did not impede the rise of this form of "capitalism."[37] As Cohen wrote, "Since capitalism's rational spirit developed extensively without a positive, Protestant religious impetus. the religious factor played little or no part in the early rise of

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[32] Pirenne. 123-124.
[33] Jere Cohen. "Rational Capitalism in Renaissance Italy," *The American Journal of Sociology* 85, no. 6 (May 1980): 1340.
[34] Cohen, 1351.
[35] Cohen. 1342-1345.
[36] Cohen, 1351.
[37] Cohen, 1351.

rational capitalism."[38] Therefore, Cohen agreed with Pirenne that late medieval merchants did not attempt to reconcile religious piety and pursuit of wealth. Nevertheless, methodological fallacies impair the work of Cohen and other scholars such as Ernst Samhaber, most importantly through their attempts to fit the complexity of late medieval Italian merchant life into a neat box, causing them to overlook much of its richness.[39]

Through an examination of merchant behavior that does not attempt to fit late medieval Italian merchant life into an inappropriate model, the relationship between pursuit of wealth and religious piety appears more complex than the two dominant views imply. While some scholars have argued this point, this body of scholarship remains miniscule compared to that of the supporters of Weber and Pirenne. For example, in *The Italian Merchant in the Middle Ages*, Armando Sapori depicts medieval Italian merchants as simultaneously good Christians and businessmen. Indeed, Sapori reached this conclusion by examining the evidence for what it is and not placing the cart before the horse by insisting on pushing all merchant behavior into a simplistic box. Throughout his work, Sapori attempted to describe the defining characteristics of the late medieval Italian merchant. According to Sapori, the medieval merchant from Italy was naturally quarrelsome and possessed "a very hard heart."[40] He did not believe that blood ties necessitated friendship, yet was highly patriotic and proud of his town.[41] In addition to fighting for his city, he often expressed his patriotism by endowing works of art to his city to enhance its beauty.[42] However, more than anything else, deep religious piety

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[38] Cohen, 1352.
[39] Ernst Samhaber, *Merchants Make History: How Trade has Influenced the Course of History throughout the World*, trans. E. Osers (New York: John Day, 1963), 119-121.
[40] Sapori, *The Italian Merchant in the Middle Ages*, translated by Patricia Ann Kennen (New York: Norton, 1970), 10.
[41] Sapori, *The Italian Merchant in the Middle Ages*, 10-12.
[42] Sapori, *The Italian Merchant in the Middle Ages*, 13.

defined the medieval Italian merchant.[43] Nevertheless, he was rational in his pursuit of wealth. For example, Italian merchants almost always kept meticulous account books.[44] In considering the character of the mercantile profession as a whole, Sapori reached the conclusion that the late medieval Italian merchant was "...as complex a man as there had ever been..."[45] Overall, Sapori implies that medieval Italian merchants' religious sentiments did not impede their rational accumulation of wealth. In fact, he argued that these religious sentiments were important in their economic success: "They [medieval Italian merchants] prevailed [economically] through their audacity, sustained by a subtle intuition and by high moral values: love of their country, religious faith, and culture."[46] Unfortunately, however, Sapori did not fully explain the manner in which religion was important to the economic behavior of merchants. While his work represents an excellent step forward for scholarship because of its bold assertion that merchants could be good Christians, he fails to identify the mechanism by which merchants realized this reconciliation. This thesis seeks to provide this mechanism: the behavioral code of honor.

The manner in which society views ethical codes has historically been the major determinant of whether the capitalist spirit can exist. The capitalist spirit is not a monolithic phenomenon. According to the environment in which it takes root, its form will differ. Nevertheless, all capitalist spirits share one quality: the impossibility of embodying the capitalist spirit while having social stigma attached to one's actions in pursuing wealth. This is what distinguishes the capitalist spirit from greed as a motivator: a capitalist earns profits in accordance with the mores of the society, while an individual

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[43] Sapori, *The Italian Merchant in the Middle Ages*, 21.
[44] Sapori, *The Italian Merchant in the Middle Ages*, 29-30,45.
[45] Armando Sapori, *Merchants and Companies in Ancient Florence*, translated by Gladys Elliot (Florence: 1955), xcvii.
[46] Sapori, *The Italian Merchant in the Middle Ages*, 38.

propelled merely by greed endeavors to seek a fortune without care for what society countenances as ethical behavior. The importance of this difference in how a businessman acquires wealth lies in the fact that a capitalist acquires wealth in a manner that is in theory reproducible forever while a greedy individual's method of pursuing profits is fundamentally unsustainable. Society will not inevitably tolerate a businessman who consistently acquires wealth in a manner outside the bounds of acceptability. In short, to be a capitalist requires accounting for the boundaries of tolerable behavior in society; to be greedy necessitates only desire for wealth no matter how dubiously acquired. While these two motivators are almost certainly not mutually exclusive since the end of both influences is to acquire riches, the approach taken by the capitalist goes beyond merely desiring to grasp wealth even if it does not rightly belong to him. The capitalist must find a way to avoid what his society deems inappropriate conduct, an ever-changing boundary. In a particular context of late medieval Italy, a shift in the limits of tolerable behavior, especially because of the crises of the fourteenth and fifteenth centuries, provided a way for merchants to earn profits without contradicting the mores of society, thereby acquiring wealth in a capitalistic manner. The only means by which this was possible was adherence to the behavioral code of honor as a guide to conduct in business and life.

The rise of the capitalist spirit in late medieval Italy is thus inseparable from the emergence of new implications for honor as a code of behavior. This essay argues that the vagueness and contradictions of life in the fourteenth and fifteenth centuries produced an environment of moral uncertainty in which it became possible for capitalistic behavior to emerge. While the capitalist spirit did not suddenly appear on one particular day in

fourteenth century Italy. the crises of the fourteenth and fifteenth centuries accelerated existing trends favoring the development of the capitalist spirit such as the church's increasing toleration of "usurious" behavior over the course of the Central Middle Ages and the rise of a distinctive urban mercantile class. Although honor itself dates back to time immemorial, merchants' animus toward honor took on an intensely entrepreneurial form in the fourteenth and fifteenth centuries. Except in cases of ill fortune, practicing the characteristics of honorable life could not help but result in the systematic acquisition of wealth through reinvestment in enterprise and avoidance of wasteful activities. Bad luck exempted, honorable conduct would also provide a path to enhanced social status for a person and his family. In an interesting way, adherence to the demands of honor would foster personal belief in and societal recognition of divine sanction for a person's actions. as articulated through a doctrine of providence for businessmen in which G-d would reward honorable conduct and the concomitant accumulation of wealth with even greater abundance. Merchants' agency in receiving the blessings of providence was essential since G-d supposedly provided everlasting indulgence only to the honorable. For late medieval Italian merchants. honorable pursuit of wealth was not just a matter of accumulating wealth: it was a calling with divine implications. Honorable behavior was therefore nothing less than the requisite key to economic grace. the unconscious yet meaningful expression of the capitalist spirit through systematic everyday practice.

Chapter Two: The Changing Limits of the Possible: Moral Uncertainty and the Emergence of the Capitalist Spirit

A common truism is the notion that historical circumstances govern the constraints and opportunities available to economic actors in any society. The experience of merchants in late medieval Italy reveals that this particular time and place is no exception to this general rule. Although the boundary becomes somewhat fuzzy when examining particulars, it is mostly true that in the Early and Central Middle Ages, society's religiously ingrained hostility to pursuit of wealth constrained the emergence of a capitalist class. Even though businessmen certainly pursued wealth, especially during and after the commercial revolution, society considered this profit-seeking behavior morally suspect. While the church became more amenable to merchants' pursuit of wealth over the course of the Middle Ages, it took the acceleration of this trend through the crises of the fourteenth and fifteenth centuries for society finally to cross the threshold into an environment conducive to the capitalist spirit. By virtue of the church's preeminence, for most of the Middle Ages, religion imposed an almost exclusively uniform value system on society, inflexible in its attitudes toward "usurers" and suspicious of the pursuit of wealth. While popular religion did not necessarily incorporate all the teachings of the church,[47] it did seem generally to take the position that profit-seeking behavior was damnable. With the coming of the crises of the fourteenth and fifteenth century, however, capitalism's constraints relaxed in a revolutionary manner. Long lingering behavioral codes such as honor became more important since the church-sponsored value system lost much of the dominance it had previously enjoyed. While

[47] See, for example, William Trask, ed. and trans., *Joan of Arc: In Her Own Words* (New York: Tuttle Point Press – Books & Co., 1996).

society remained highly religious, it became more open to alternative codes of behavior, especially those that accommodated society's religiosity as honor did. By accounting for the boundaries of the possible through the defining features of honorable conduct, late medieval Italian merchants achieved what had previously been impossible: the embodiment of the capitalist spirit.

In this study, we must avoid the tendency to overexaggerate the differences between periods such as the Central Middle Ages and the Late Middle Ages, the period commonly known as the "Renaissance." There are few better examples of this danger than Alfred von Martin's *Sociology of the Renaissance*. Beginning with the declaration that he will mostly ignore the "static and traditionalist elements which remained by way of obstruction in the era of early capitalism,"[48] he proceeds to present a series of false dichotomies comparing medieval and Renaissance values and behaviors. In arguing that capitalism emerged in the Renaissance, he misunderstands the medieval legacy of a highly religious society: "The spirit of capitalism which begins to rule the modern world with the Renaissance deprives the world of the divine element in order to make it more real."[49] Another example of his underestimation of the persistence of medieval features is his claim that complete economic individualism emerged in Renaissance Florence, replacing the guild structure as the focus of entrepreneurial activity.[50] In other words, his dichotomy-prone separation of medieval and Renaissance values and features results in a misunderstanding of both, as evidenced in his claim that "Christian ethics...though not rejected in theory, in practice lost all influence. The individual was conscious of the fact

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[48] Alfred von Martin, *Sociology of the Renaissance*, translated by W.L. Luetkens (New York: Harper Torchbooks – The Academic Library, 1963), xviii.
[49] von Martin, 2-3.
[50] von Martin, 6.

that he had to rely completely upon his own forces...We see the complete repression of impulse and the absolute control of the emotions by a ruthlessly calculating reason which inexorably moves to its goal."[51] More succinctly, the primary thrust of von Martin's arguments is "Religion and moral values had almost ceased to be worth the paper they were written on in an age when economic, intellectual and aesthetic ones alone counted."[52] Of course, an examination of the medieval legacy of the Renaissance which von Martin admitted generally ignoring disproves many of his extreme assertions. Just as economic features of the Middle Ages persisted for centuries such as the prominence of guilds in cities, the capitalist spirit was latent in the Middle Ages, awaiting new conditions under which it could gain expression in daily life. In the context of the intensely religious tradition of the Early and Central Middle Ages, being a capitalist certainly did not imply one was secular and unreligious. This would have been impossible given the religious legacy of the Middle Ages.

The emergence of a dynamic merchant culture in the Central Middle Ages helped shape Italian society in the fourteenth and fifteenth centuries. Important aspects of this culture in the Central Middle Ages were ambition, economic initiative, and freedom from the restraints of feudal life. The causes of the emergence of this culture were the increasing commercial significance of towns and cities, new agricultural and industrial technologies, international warfare and commerce between Christians and Muslims, and the peace and security provided by feudalism. Perhaps most importantly, the emergence of an urban merchant culture created a Europe ruled by two different dynamics: a feudal dynamic in the countryside free of market fluctuations and an urban dynamic in cities

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[51] von Martin, 15.
[52] von Martin, 77.

where rise and decline of social status was possible. Of course, feudalism was still the dominant way of life for the vast majority of Europe's population. However, a competing culture gradually arose in cities in the Central Middle Ages with completely different values: a dynamic, urban merchant culture. This was the seed from which the capitalist spirit emerged triumphant in the fourteenth and fifteenth centuries. The capitalist spirit cannot gain expression without a business class dedicated to pursuing wealth.

Widespread absence of dynamic urban life and inter-regional economic activity in Europe characterized the period before the Central Middle Ages. There are good reasons why conventional wisdom deems the Early Middle Ages (approximately 500 to 1000 A.D.) to be the "Dark Ages" for Western Europe. Carlo M. Cipolla argued that cities were an anachronism in this period.[53] Economic isolation was common as the use of money disappeared and feudal arrangements spread, resulting in the rise of generally self-sufficient manors.[54] However, this period eventually ended with the advent of the "commercial revolution," which was the upturn in economic activity that occurred beginning in the tenth century and one of the essential components for the transition to the Central Middle Ages and emergence of a new mercantile class.

Many reasons explain why there occurred an upturn in economic activity in the late tenth and early eleventh centuries. Among them, one of the most prominent is the revival of Europe's cities in the urban revolution, which Cipolla called a turning point in world history.[55] This urban revolution was both a socio-cultural and an economic movement - "push" forces such as disgust toward feudalism in rural areas and a shortage

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[53] Carlo M. Cipolla, *Before the Industrial Revolution: European Society and Economy, 1000-1700*, 3rd ed., translated by Christopher Woodall (New York: Norton, 1993), 117.
[54] Cipolla, 117-118.
[55] Cipolla, 117.

of land due to population growth as well as "pull" forces such as the freedoms of urban life motivated people to emigrate from rural areas to cities.[56] Indeed, cities became islands of economic opportunity amidst the ocean of the feudal countryside, despite the existence of guilds.[57] During this time, Italian nobles migrated to cities and increasingly became involved in urban activities like trade.[58] An important trend during this era was the increasing tendency for urban burghers to occupy socially prominent positions, which soon translated into political preeminence.[59] Therefore, through the commercial revolution, there arose a distinctive set of social, political, economic, and legal values in Italian cities.

The commercial revolution transformed European life by enabling the rise of new cultures and professional value systems. Although Europe remained overwhelmingly rural, new classes and values arose in response to increased commercial activity. The effects of the commercial revival in the eleventh century are most evident in Venice and the Flemish coast, both of which flourished through foreign trade.[60] Italy as a whole greatly benefited from the upsurge in trade: many Italian cities flourished through their position as "middlemen" in trade between Northern Europe and the more prosperous Muslim-held Middle East. Perhaps most importantly, the commercial revolution had the effect of increasing the position of the urban bourgeoisie, thereby creating the conditions for the merchant culture that prevailed in late medieval Italy. It stimulated European industry, leading to some areas becoming famous for their specialties like woolen textiles in Flanders, which opened up economic opportunities for entrepreneurial individuals.

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[56] Cipolla, 119; Pirenne, 114.
[57] Cipolla, 121-122; Hirshler, 52-58.
[58] Cipolla, 119.
[59] Cipolla, 119-120.
[60] Pirenne, 82.

Venice serves as the one of the extreme examples of the transformative effects of the commercial revolution. Venice began as the refuge of families from Aquileia and Patavium who were fleeing the Huns in the middle of the fifth century.[61] Fishing and salt preparation dominated the early Venetian economy; the city's lack of natural resources necessitated trade for survival.[62] While the rest of Western Europe stagnated in the Early Middle Ages, Venice grew because it remained subject to the Byzantine Empire despite the efforts of German emperors to capture it.[63] Constantinople, the capital of the Byzantine Empire, had nearly one million inhabitants in the eleventh century.[64] It therefore provided a huge potential market for Venetians to exploit as traders. Indeed, Venice benefited from its Eastern connections: it acquired advanced business techniques from the Near East as well as copious enterprise in supplying Constantinople with basic goods such as Italian wine and wheat as well as luxury goods such as Asian spices.[65] In recognition of the importance of Venetian traders in supplying Constantinople, Byzantine emperors increased the privileges of Venetian merchants. For example, the Golden Bull of 991 decreased the taxes levied on Venetian merchants.[66] In addition, the Byzantines forbade their government officials from holding Venetian ships beyond three days except in extraordinary situations; the Venetians repaid the Byzantines for this privilege by lending their fleet to the Byzantines when needed to transport Byzantine armies by sea.[67] In return for Venetian aid to the Byzantines against the Normans, the Byzantine

[61] Ernst Samhaber, *Merchants Make History: How Trade Influenced the Course of History throughout the World*, translated by E. Osers (New York: John Day Company, 1963), 103.
[62] Pirenne, 82-83.
[63] Pirenne, 83.
[64] Pirenne, 84.
[65] Pirenne, 85.
[66] Adelson, 63.
[67] Adelson, 63.

government granted Venetian merchants exemptions from all custom dues in its ports.[68] By the late eleventh century, the supremacy of Venetian merchants in the Byzantine Empire was evident, as reflected in the Golden Bull of 1081.[69] In short, by this time Venetian traders operated all over the Eastern Mediterranean, even in prosperous Muslim cities like Damascus and Cairo.[70] In order to have access to the great variety of goods traded by Venetians, German emperors granted Venetian merchants trading privileges with Italian cities.[71] This resultant commercial wealth became the envy of the rest of Italy, which followed Venice's example in pursuing commerce, starting in Pavia and spreading outward.[72] It is therefore fair to say that the "spark" provided by Venice provided the impetus for expanded Italian economic and political power. Christian Italian cities began to raid Muslim-held Southern Italy and Sicily: Genoa and Pisa sacked Palermo's arsenal in 1062 and pillaged and massacred all Muslims of Mehdia in 1087.[73] By 1100, Christian fleets such as those of Pisa and Genoa had come to dominate the Mediterranean Sea. The rise of Genoa and Pisa as rivals to Venice's monopoly on Mediterranean trade set the stage for later wars between competing Italian city-states. Therefore, as can be seen in how Venice's commercial revolution had effects that reverberated throughout Italy, it is hard to exaggerate the importance of the changes wrought by the commercial revolution.

The emergence of Italy as the leading economic power in Europe deserves especial emphasis. As early as the twelfth century, Italian merchants and bankers were

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[68] Adelson, 66.
[69] Adelson, 66.
[70] Pirenne, 86.
[71] Pirenne, 87.
[72] Pirenne, 87.
[73] Pirenne, 88-89.

pursuing wealth all over Europe.[74] It is notable that Pope Boniface VIII once remarked, "These Florentines are truly the fifth element of the universe!"[75] A common foreign task for Italian merchants was serving as bankers to the Papacy such as in collecting tithes owed to the church.[76] Florence imported wool from all over Europe for dyeing, including England and Flanders; the Florentines also imported a huge amount of Eastern indigo for dyeing woolen textiles.[77] Indeed, despite a prevalent "spirit of faction" in Italy during the Central Middle Ages, merchants often cooperated in foreign ventures.[78] A major factor behind this cooperation was the stereotype of Italian merchants as usurious "Lombards" in foreign lands, which necessitated that they work together in order to carry on business and combat oppressive measures.[79] Despite prejudice against Italian merchants, they managed to create enormous commercial empires for the time. For example, in 1318 the Bardi company had a business volume of 1,266,775 lira.[80] Niccolo degli Albert, probably the wealthiest person in fourteenth century Florence, had a fortune of at least 340,000 florins at the time of his death in 1377.[81] Between 1335 and 1339, the two hundred wool workshops of Florence produced between seventy and eighty thousand bales of cloth annually, worth 1,200,000 gold florins.[82] However, this economic dominance proved ephemeral. As the focus of trade shifted from the Mediterranean Sea to the Atlantic Ocean, Italy gradually lost its commercial and industrial dominance. Nevertheless, Italy remained economically important, particularly as a manufacturing center of luxury goods

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[74] Sapori, *The Italian Merchant in the Middle Ages*, 75,79.
[75] Sapori, *The Italian Merchant in the Middle Ages*, 79.
[76] Sapori, *The Italian Merchant in the Middle Ages*, 76
[77] Samhaber, 116.
[78] Sapori, *The Italian Merchant in the Middle Ages*, 10,14.
[79] Sapori, *The Italian Merchant in the Middle Ages*, 16-19.
[80] Sapori, *The Italian Merchant in the Middle Ages*, 41.
[81] Edgcumbe Staley, *The Guilds of Florence* (London: Methuen, 1906), 562.
[82] Sapori, *The Italian Merchant in the Middle Ages*, 56.

like silk cloth, lace, and embroideries.[83] In reflecting on the economic history of Florence, Edgcumbe Staley wrote, "From the twelfth to the end of the sixteenth centuries Florence easily held the first place in the life and work of the known world: she was in fact Athens and Rome combined!"[84] Although this might be a bit of an exaggeration, it suggests the extreme economic importance of Italy during this time, a period when its prosperity made it the axis around which Europe's economic life revolved.

The characteristics of the Italian urban merchant class of the Central Middle Ages deserve additional comment. It is vital to emphasize how the merchant class that arose in cities because of the commercial revolution differed markedly from the classes in the countryside. The entrepreneurial spirit was a defining characteristic of this new class of traders as they pursued wealth and desired upward social mobility.[85] According to Pirenne, this spirit was absent in the feudal countryside where peasants labored on isolated manors.[86] To peasants, selling land to gain capital for trade would have seemed "bizarre" and "hazardous."[87] Indeed, it is no exaggeration to claim that the new merchant class would have astounded members of the existing feudal world through their great mobility and acquisition of social status based on intelligence and initiative rather than birth.[88] Although the feudal aristocracy in many places despised merchants because of their wealth and lack of "good" birth, the merchant class grew in strength between 1000 and 1300. Monarchs were disposed to protect merchants because of their desire to increase their kingdom's trade; they often took it upon themselves to combat

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[83] Sapori, *The Italian Merchant in the Middle Ages*, 87-89.
[84] Staley, 2.
[85] Pirenne, 108.
[86] Pirenne, 108.
[87] Pirenne, 108.
[88] Pirenne, 122.

highwaymen and enact measures to preserve order on merchants' behalf.[89] Therefore, simply put, a unique kind of person for the Middle Ages emerged out of the commercial revolution: a person who prospered based on wits rather than birth, often to the annoyance of the feudal nobility. There was room for merchants to rise and fall in social and economic status based upon their own initiative, business sense, and, in many cases, sheer luck. Although this was a significant leap forward in the development of the capitalist spirit, religious sanctions against mercantile activity remained a fundamental constraint at this time.

It is hard to comprehend the scope of just how far-reaching the effects of the crises of the fourteenth and fifteenth centuries were in breaking societal disapproval of merchants' pursuit of wealth. From the Black Death to the Papal Schism, from the demographic collapse to the crisis of faith, Italians' values and behavioral codes changed rapidly because of their experiences in the fourteenth and fifteenth centuries.[90] The main significance of these crises for this essay is that they called into question all the previous structures of society and resulted in an uncertain spiritual and economic environment for Italian merchants in the Late Middle Ages (1300-1500). Without this uncertainty, the Church would likely have maintained its monopoly on Italians' value systems, delaying the emergence of the capitalist spirit. It remains, however, to explore the nature of these crises in order to fathom just how transformative they were in their effects on daily life.

Population change was an important component in the crises of the fourteenth and fifteenth centuries, especially to the Malthusian school of thought. Decline in population

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[89] Pirenne, 127-128.

[90] Scholars generally agree on this point. See, for example, David Herlihy, *The Black Death and the Transformation of the West*, edited by Samuel K. Cohn, Jr. (Cambridge, Massachusetts: Harvard University Press, 1997).

levels occurred almost everywhere during this time. Although the precise number of people who died from the Black Death is unknown, most scholars agree that somewhere between one-third and half of Europe's population died in the fourteenth and fifteenth centuries. It is difficult to imagine the severe psychological cost such a tragedy would have had on Europe's population. According to David Herlihy, the losses due to the Black Death in 1348-49 and recurring epidemics until the end of the fifteenth century were the greatest natural disaster in human history.[91] One scholar estimated that the population of Europe bottomed out at about fifty-five million people in 1450.[92] Elisabeth V. Cohen and Thomas V. Cohen estimated that the population of Italy in 1400 was about eight million.[93] Jean Gimpel argued that Europe did not recover its pre-crisis level of population until about 1600.[94] There were numerous factors behind the population decline of the fourteenth and fifteenth centuries: however, the most important factors were war, famine, and plague.

The crises of the fourteenth and fifteenth centuries significantly affected class relations in Europe. According to David Herlihy, in the fourteenth and fifteenth centuries, the most important short-term effect of the plague was shock, which broke the equilibrium "of economic life and disrupted established routines of work and service."[95] Herlihy supports the notion that economic changes drove changes in class relations during this crisis. Population decline resulted in a shortage of labor, which enhanced the bargaining power of workers, contributing to workers refusing to work under the same

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[91] Herlihy, 17.
[92] Fernand Braudel. *The Structures of Everyday Life: The Limits of the Possible*, vol. 1, translated by Siân Reynolds (Berkeley: University of California Press, 1981), 47.
[93] Elizabeth V. Cohen and Thomas V. Cohen, *Daily Life in Renaissance Italy* (Westport, Connecticut: Greenwood Press, 2001), 7.
[94] Gimpel, 211-212.
[95] Herlihy, 40.

conditions as before.[96] The psychological experience of the deaths of so many in a short period of time also contributed to a desire of people to engage in more enjoyable pursuits when confronted with the possibility of death each day.[97] The plague opened up new opportunities for many people because society needed or wanted the performance of certain services such as the importation of luxury goods.[98] Guilds admitted more people than ever before, yet numbers stagnated due to a high mortality rate.[99] A similar phenomenon happened in the Church: there was an enlargement of the College of Cardinals and the Papal bureaucracy.[100] According to Giovanni di Carlo, a Dominican friar from Florence, churches were flooded "with young men, without the piety or learning of their predecessors."[101] In general, people benefited from a decline in rents and an increase in wages, which hurt the upper classes since now they had to pay more than before to get work done.[102] In addition, this depopulation undermined the manorial system by introducing wages where they did not exist before in relationships. Indeed, most survivors experienced significant increases in their standards of living because of the plague and demanded higher quality goods than they previously demanded. Governments' attempts to enact "sumptuary laws" to regulate customs and the consumption of goods reflect a meaningful change in consumer tastes despite governmental disapproval.[103] Hence, it is fair to say that the crises of the fourteenth and fifteenth centuries created a new dynamic of expanded economic opportunity for a large

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[96] Cipolla, 202; Herlihy, 41.
[97] Herlihy, 41.
[98] Herlihy, 42.
[99] Herlihy, 44.
[100] Goldthwaite, 48.
[101] Herlihy, 45.
[102] Herlihy, 48–49.
[103] Herlihy, 47–48.

portion of the population of cities. It also gave rise to a looser social hierarchy where advancement was possible based on merit.

Changing consumption patterns in the wake of the crises of the fourteenth and fifteenth century deserve additional comment. Robert S. Lopez argued that there is a negative relation between economic opportunities and investment in culture; in the crisis of the fourteenth century, merchants had more time and income to invest in culture because the business conditions of Europe were poor and profitable economic opportunities were limited.[104] In the commercial revolution of the Middle Ages, economically advanced areas did not produce the greatest intellectual and cultural achievements; for example, Ile de France was an intellectual center, but not an industrial center while Italy was economically advanced, but intellectually backward.[105] During the troubled economic circumstances of the fourteenth and fifteenth centuries, investment in culture flourished, especially in Italy.[106] Lopez argued that European society in the fourteenth and fifteenth centuries "lacked a universally accepted standard of nobility" because of the decline of the "aristocracy of blood" and the "aristocracy of wealth."[107] This social condition of society led to culture "becom[ing] the highest symbol of nobility, the magic password which admitted a man or a nation to the elite group."[108] In short, "humanistic culture" became a profitable "economic investment."[109] Richard A. Goldthwaite argued a new material culture developed in Italy because of increased

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[104] Robert S. Lopez, "Hard Times and Investment in Culture," in *Social and Economic Foundations of the Italian Renaissance*. ed. Anthony Molho (New York: John Wiley & Sons, 1969), 115: Judith C. Brown, "Prosperity or Hard Times in Renaissance Italy?" *Renaissance Quarterly* 42, no. 4 (Winter 1989): 761.
[105] Lopez, "Hard Times and Investment in Culture," 98.
[106] Lopez, "Hard Times and Investment in Culture," 98.
[107] Lopez, "Hard Times and Investment in Culture," 112.
[108] Lopez, "Hard Times and Investment in Culture," 112-113.
[109] Lopez, "Hard Times and Investment in Culture," 113.

demand for material goods such as art during this time.[110] Consumerism developed during this crisis, especially in Italy; material possessions now dictated culture.[111] It is significant that Lorenzo the Magnificent of Florence was a ruler, a merchant, and a leading investor in cultural pursuits like artwork.[112] According to Goldthwaite, the rise of consumerism helped drive the rise of the West because it "introduced into economic life a creative and dynamic process for growth and change."[113] However, unlike Lopez, Goldthwaite viewed the change in consumption patterns during the crises of the fourteenth and fifteenth century as a product of the accumulation of wealth in Renaissance Italy such as through production of luxury goods like gold and silver utensils, accessories, silk cloth, and furnishings by the manufacturing sector.[114] The pervasiveness of these luxury goods made Italy the envy of many European states; a major factor behind the decision of Charles VIII to invade Italy in the late fifteenth century was the opportunity to plunder material goods and take back skilled artisans like painters to France.[115] The distribution of wealth and "instability in ownership" also affected demand for luxury goods in Italy – most wealth was concentrated in urban areas among lots of consumers and demand for goods remained high due to the rise of new consumers because of increased social mobility.[116] David Herlihy showed in his study of the 1427 *catasto* (a Florentine tax) that the concentration of wealth in the hands of the wealthy was relatively low in Florence; Goldthwaite speculated that there was probably a more equitable distribution of wealth in Italian cities during the crisis of the fourteenth

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[110] Goldthwaite, 1.
[111] Goldthwaite, 5.
[112] Lopez, "Hard Times and Investment in Culture," 115.
[113] Goldthwaite, 5.
[114] Goldthwaite, 7,18-19.
[115] Goldthwaite, 25-26.
[116] Goldthwaite, 40.

and fifteenth century than in the United States today.[117] The increase in wages of the working class during this crisis led to a more equitable distribution of wealth. For example, "In the 1427 *catasto* only 14 percent of households had no property at all to declare."[118] The working class' increase in wealth allowed many to enter the middle class and develop middle class consumption patterns. Conspicuous consumption was now the rule in many places.[119] The crises of the fourteenth and fifteenth centuries therefore contributed to the arrival of a relatively modern material culture in Italy.

War was an important theme in the fourteenth and fifteenth centuries. Wars often ruin the economies of states, even for the "victors" on the battlefield; quote often there is a severe disruption in normal patterns of economic and social organization.[120] According to William Caferro, the main strategy of war during this time was to win by "wear[ing] down the opponent economically" rather than by "engaging the enemy in decisive battles."[121] Warring states often cut off each other's trade routes and seized each other's assets: for example, the Pope seized the assets of merchants and bankers during the War of Eight Saints.[122] Regardless of the outcome of a war, there is usually some redistribution of a country's wealth.[123] War was almost continuous in Italy from the middle of the fourteenth century to the middle of the fifteenth century: Milan, Florence, Venice, Naples, and the Papal States were constantly at war.[124] States often refused to let

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[117] Goldthwaite, 45-46.
[118] Goldthwaite, 47.
[119] Goldthwaite, 248.
[120] K.B. McFarlane, "War, the Economy and Social Change: England and the Hundred Years War," *Past and Present* 22 (Jul. 1962): 3.
[121] William Caferro, *Warfare and the Debate over the Economy of Renaissance Italy*, 7.
[122] Caferro, 8.
[123] McFarlane, 3.
[124] Caferro, 4.

their armies engage in decisive battles.[125] People wrote extensively during this time about warfare: for example, John Hawkwood, an English mercenary, is more prominent in the Chronicles of Siena than the life of Catherine of Siena.[126] The preponderance of war during the fourteenth and fifteenth centuries would certainly have entailed enormous financial costs for Italian city-states. To what degree "investment" in war benefited a state's economy is an ongoing debate, but the fact that war was much more common in the fourteenth and fifteenth centuries than in the Central Middle Ages cannot be legitimately denied. This would certainly have contributed to lives being much more conditioned by war than they were before, contributing to uncertainty and instability in many Italian states.

Faced with crises in so many different aspects of life, it is understandable that Italians would experience a crisis of faith. After all, the Church was unable to ameliorate the plague, supposedly the sign of an angry G-d. Some people began to believe the Church was partially responsible for these crises: they questioned why the Church neglected to warn people of G-d's anger and why so many clergymen fled their posts in the wake of the plague.[127] Although this was an intensely spiritual time (partially because of the gain in mysticism's prominence), it was simultaneously a time of growing anti-clericalism. This helped spur the emergence of the capitalist spirit by opening society to new moral and behavioral codes such as honor.

The split of the Papacy in the fourteenth and fifteenth centuries compounded existing doubts about the legitimacy of the Church as a dominant institution in everyday

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[125] Caferro, 7.
[126] Caferro, 4.
[127] C. Warren Hollister and Judith M. Bennett, *Medieval Europe: A Short History*, 9th ed. (Boston: McGraw Hill, 2002), 336.

life. The spiritual prestige of the Church decreased as many pious Christians began practicing their own forms of religious worship apart from the Church.[128] In 1309, the Papacy under Pope Clement V (r. 1305-1314) moved to Avignon where it was strongly influenced by French monarchs.[129] Pope Gregory XI (r. 1370-1378) moved the Papacy back to Rome in 1376, but soon died.[130] During the next papal election, a Roman mob influenced the cardinals into appointing Urban VI as pope, who chose to stay in Rome.[131] The cardinals then traveled to Avignon and claimed that the first election was invalid, electing Clement VII as pope in Avignon.[132] This led to the Great Schism in which there were two popes simultaneously: one at Avignon and one at Rome (each of which excommunicated the other).[133] States allied with each pope according to their interests. To make matters worse, in 1409 the Council of Pisa (a council of five hundred prelates designed to reconcile both papacies into one) deposed both popes.[134] However, neither pope agreed to recognize this council and step down; a situation soon resulted where three popes existed simultaneously, each of which claimed absolute spiritual authority over the others.[135] Not surprisingly, this schism contributed to a crisis of faith as the prestige of the papacy declined even further; it made the papacy appeared worldly and solely interested in political maneuvering at the expense of people's spiritual needs. The Council of Constance (1415-1418) ended this three-way schism, but the prestige of the papacy had suffered too long – it would never recover its previous domination of societal

[128] Hollister and Bennett, 337.
[129] Hollister and Bennett, 266.
[130] Hollister and Bennett, 338.
[131] Hollister and Bennett, 338.
[132] Hollister and Bennett, 338.
[133] Hollister and Bennett, 338.
[134] Hollister and Bennett, 338.
[135] Hollister and Bennett, 338.

mores.[136] It is notable that many scholars in the Reformation like Flacius Illyricus argued that the Middle Ages were a time "of progressive spiritual decline."[137] A crisis of faith persisted for the remainder of the fifteenth century, contributing in a significant way to the Protestant Reformation of the sixteenth century.

The example of Godric of Finchale reveals how the Church and society saw the pursuit of a contemplative, religious lifestyle as preferable to profit seeking. As part of the tradition of hagiography, the Church intended the story of Godric to serve as an example for others. Godric was a merchant who came to reject his profession in favor of becoming a hermit in the twelfth century, passing away in 1170.[138] Born into a poor, humble family, Godric chose "to study, learn, and exercise the rudiments of more subtle conceptions" such as commerce rather than become a farmer.[139] Although he pursued wealth as a merchant initially by scouring the seacoast for ship wreckage to sell, he eventually acquired a fortune by becoming an international trader operating between Britain, Scotland, Denmark, and Flanders, buying at low prices and selling at dear prices.[140] Godric was always a religious man during his years as a merchant; G-d supposedly rewarded his religiosity by protecting him at the sea and helped him avoid disaster.[141] Nevertheless, Godric came to desire a life of solitude and lost his regard for his worldly possessions, eventually giving his entire fortune away to charity and becoming a hermit.[142] Although his story is set in Britain, the moral lesson of his tale was clear to all medieval Christians: worldly possessions are insufficient to live a

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[136] Hollister and Bennett, 338.
[137] Sullivan, 552-553.
[138] G.G. Coulton, ed., *Social Life in Britain from the Conquest to the Reformation* (Cambridge: Cambridge University Press, 1938), 415.
[139] Coulton, 415.
[140] Coulton, 417-418.
[141] Coulton, 417.
[142] Coulton, 420.

contemplative life completely devoted to following Christ, and perhaps even an obstacle in realizing this goal. This is just one way, albeit rather indirectly, in which the Church expressed its displeasure at merchants' pursuit of wealth. In such a religious society as medieval Italy, this lesson was sure to reverberate throughout all lands.

Diana Wood provides an excellent discussion of the evolution of the church's position toward merchants in *Medieval Economic Thought*. In the Early Middle Ages, the merchant was a despised person. The church was steadfast is its position that engaging in commerce was dangerous because of the great possibility of sinning.[143] Society saw merchants as inherently different from artisans: artisans earned legitimate profits because they changed their wares before selling them and earning profits, unlike merchants.[144] However, by the twelfth century, theologians and canonists began to argue that it was possible for merchants to be moral.[145] It is significant that in 1199 Pope Innocent III canonized Homobonus of Cremona, a merchant, less than three years after his death.[146] Aquinas wrote that the merchant was useful to his community if he did not earn excessive profits and used his money to provide for his family, country, and the poor: Aquinas argued that this kind of merchant was "moral" since he earned a profit as a reward for his labor rather than out of greed.[147] In an interesting twist, Wood argued that the transition in scholarly thought on merchants was the product of "economic nationalism and economic humanism."[148] "Economic nationalism" was the idea that a vibrant economy contributed to a strong government: because of this notion, humanists honored and

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[143] Diana Wood, *Medieval Economic Thought* (Cambridge: Cambridge University Press, 2002), 111-112.
[144] Wood, 112-113.
[145] Wood, 115.
[146] Wood, 116.
[147] Wood, 117.
[148] Wood, 117.

praised the mercantile profession.[149] "Economic humanism" arose in the thirteenth century because of the rise of the belief that human welfare in societies depended on commerce to redistribute goods between areas of plenty and deficiency.[150] Because of this change, merchants ceased to believe that salvation was impossible for them or at best highly unlikely.[151] Therefore, according to Wood, the fact that society now honored merchants contributed to changes in their attitudes toward pursuit of wealth. They no longer saw pursuit of wealth as inherently damning, an important advance in the development of the capitalist spirit.

One of the leading authorities on the relationship between the commercial revolution and the church's position on pursuit of wealth is Lester K. Little. Little traced the evolution of Europe's economy from a "gift economy" to a "profit economy."[152] According to Little, a "gift economy" is characterized by an exchange of gifts that lack a well-defined monetary value associated with them – the "gift economy" prevailed in medieval Europe from 800 to 1050.[153] Pursuit of wealth began when goods started possessing a well-defined monetary value: only then was rational calculation applied to acquisition of goods.[154] This occurred during the "profit economy," which lasted from 1050 to 1300.[155] Hence, over the course of the Middle Ages, money became a tool for investment rather than just treasure for gifts because of the transition from a "gift economy" to "profit economy."[156]

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[149] Wood, 117-118.
[150] Wood, 117-118.
[151] Wood, 120.
[152] Lester K. Little, *Religious Poverty and the Profit Economy in Medieval Europe* (Ithaca: Cornell University Press, 1978), 3.
[153] Little, ix.
[154] Little, 5.
[155] Little, ix.
[156] Little, 18.

According to Little, Europe's transition to a "profit economy" was problematic for the church. Little wrote, "It was difficult for some people to adapt to a new social and economic reality when their religion interpreted a clearly articulated and divinely sanctioned morality appropriate to an earlier age. Thus life in the new profit economy raised acute problems involving impersonalism, money, and moral uncertainty."[157] For example, in the "gift economy," interaction between different peoples was very limited: people rarely traveled beyond their own community.[158] However, in the "profit economy," travel was more common and, as towns increased in size, the likelihood of interacting with strangers greatly increased.[159] This helped create a sense of anonymity in large towns full of strangers, which contributed to sinful activities like crime and prostitution flourishing because of a lack of social control over individual behavior.[160] Moralists often blamed money for the increase in amoral behavior in towns: because of this, they viewed money as inherently destructive.[161] Theologians like St. Bernard railed against the wickedness of cities and money. Therefore, according to Little, for all of the Early Middle Ages and most of the Central Middle Ages, money was closely associated with cities, which were becoming increasingly sinful. As a result, theologians were very suspicious of money, often viewing it as a corrupting influence. This doubt makes it easier to appreciate why theologians and scholastics often intensely disliked professions that worked exclusively with money such as the mercantile profession before the fourteenth century. Nevertheless, Little does note that the church somewhat softened its stance on the pursuit of wealth toward the end of the Central Middle Ages. In the

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[157] Little, 19.
[158] Little, 20.
[159] Little, 25.
[160] Little, 25.
[161] Little, 34.

thirteenth century, religious thinkers including Thomas Aquinas and Albert the Great began to argue that private property could be "both natural and good."[162] This belief promoted the idea that pursuit of wealth might be morally justifiable in many cases such as when a merchant realized a profit in markets free of monopolies without hoarding goods or otherwise harming the public.[163] Some thinkers increasingly came to identify the competitive market price as the same as the "just price."[164] Despite the beneficial nature of this shift in scholastic thought for merchants, however, the question of intention remained an important sticking point.[165] It was still not morally acceptable to pursue wealth with the intention of amassing a fortune and increasing one's social status.[166] Because of this commonly held belief and the large influence of the church in everyday life in the Central Middle Ages, the capitalist spirit could not emerge until the fourteenth century. This spirit can simply not exist in environments that consider the pursuit of wealth under purely secular intentions to be morally intolerable.

Jacques Le Goff is another leading scholar on the evolution of the church's usury doctrine over time. He argued that there was a strong correlation between the position of the church on usury and the actual economic behavior of usurers in the Middle Ages. He also argued that the church's position on usury and pursuit of wealth completely shaped the economic behavior of merchants and usurers. Prior to the thirteenth century, the sin of usury was defined as a lender receiving any interest on a loan.[167] The association of money and sin was common in Christendom based on scripture such as Matthew 6:24,

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[162] Little, 176.
[163] Little, 177.
[164] Little, 178.
[165] Little. 178-179.
[166] Little, 179.
[167] Jacques Le Goff, *Your Money Or Your Life: Economy and Religion in the Middle Ages*, trans. Patricia Ranum (New York: Zone Books, 1988). 18.

which states: "No man can serve two masters; for either he will hate the one and love the other, or else he will stand by the one and despise the other. You cannot serve G-d and Mammon."[168] The bible seemed to be clear about the danger of usury; it is telling that ecclesiastical courts tried suspected usurers instead of lay authorities.[169] However, usury was not a major concern before the High Middle Ages simply because there were few coins in circulation.[170] As economies began to rely more on coins, the church became increasingly anxious about the sin of usury.[171] Scholastics such as Thomas Aquinas harshly condemned usury because they saw it as intrinsically unjust since a lender received something, interest, in return for giving a borrower nothing. Hence, according to this mode of thought, the lending of money at an interest rate was an inherently unequal transaction.[172] Preachers claimed that usury was a sin without end because money lent "worked" without end to produce more money for a lender, even on the Sabbath.[173] Perhaps most damning of all, usurers were accused of stealing "time," which belonged to G-d, and selling it at a profit.[174] The only way a usurer could redeem his soul was by giving away all the wealth he acquired through usury: if he did not, G-d would damn him to hell and the Church would deny him a Christian burial.[175]

According to Le Goff, over time the church increasingly came to tolerate usurers because of the rise of the concept of purgatory and new attitudes toward wealth.[176] So long as usurers were not manifest or public in their practice of usury, the Church would

[168] Le Goff, *Your Money Or Your Life*, 10-11.
[169] Le Goff, *Your Money Or Your Life*, 20-21,37.
[170] Le Goff, *Your Money Or Your Life*, 23.
[171] Le Goff, *Your Money Or Your Life*, 23-24.
[172] Le Goff, *Your Money Or Your Life*, 27-28.
[173] Le Goff, *Your Money Or Your Life*, 30-31.
[174] Le Goff, *Your Money Or Your Life*, 39.
[175] Le Goff, *Your Money Or Your Life*, 50.
[176] Le Goff, *Your Money Or Your Life*, 70.

likely tolerate their usurious practices.[177] In addition, by the Late Middle Ages, scholastics recognized a number of excuses for the sin of usury such as *lucrum cessans*, the idea that the usurer lost potential profits by lending money since the money could have yielded profits if invested elsewhere.[178] Indeed, H.M. Robertson agrees that by the late fifteenth century, the Catholic Church was in general agreement about the legitimacy of this excuse.[179] By the fourteenth century, large-scale usurers had ceased to be a particularly problematic figure for the church. According to Le Goff, the change in the church's position toward usurers was an extremely important event in Europe's history: "In a society where all conscience was a religious conscience, obstacles were first of all – or finally – religious. The hope of escaping Hell, thanks to Purgatory, permitted the usurer to propel the economy and society of the thirteenth century ahead to capitalism."[180] Hence, Le Goff believed that changes in merchant's economic behavior only came in response to the changing usury doctrine of the medieval church.

In *A History of Business in Medieval Europe, 1200-1550*, Edwin S. Hunt and James M. Murray echo Le Goff's argument on the pervasive influence of the church's usury doctrine on medieval merchants' economic behavior. They argued that church's usury doctrine and hostility to business affected nearly all economic interactions in medieval Europe.[181] Theologians consistently saw the commercial revolution as a significant challenge to morality and therefore sought to control merchants' economic behavior.[182] They did not differentiate between loans for consumption and for production:

[177] Le Goff, *Your Money Or Your Life*, 72.
[178] Le Goff, *Your Money Or Your Life*, 73.
[179] Robertson, 133.
[180] Le Goff, *Your Money Or Your Life*, 93.
[181] Edwin S. Hunt and James M. Murray, *A History of Business in Medieval Europe, 1200-1550* (Cambridge: Cambridge University Press, 1999), 69.
[182] Hunt and Murray, 70.

they did not consider it a legitimate excuse for usury if a lender claimed that interest payments on a loan were justified by virtue of the loan itself.[183] Religion was such a pervasive influence in business that even everyday, informal documents often included prayers for commercial success as well as phrases like "amen."[184] Unlike Benjamin N. Nelson, Hunt and Murray believed that the church's usury doctrine heavily influenced the practice of business. Businessmen were often terrified that their salvation was endangered by their economic behavior: consequentially, many left money to the church on their deathbed.[185] When merchants decided to practice usury despite the prohibition of the church, they often devised elaborate mechanisms in order not to perform overt usury such as the bill of exchange.[186] Other mechanisms commonly included making the amount borrowers repaid in a contact higher than the actual amount of money lent, disguising borrowers' interest payments as "gifts" to lenders, and setting the contractual date of repayment earlier than the actual date of repayment so lenders could charge borrowers fees for late repayment.[187] Therefore, Hunt and Murray suggested that the church's hostility to usury greatly influenced late medieval business practices.

Raymond de Roover presents an entirely different argument on the church's attitude toward merchants' accumulation of wealth. His argument is unique because of his view that the church's position toward pursuit of wealth by merchants evolved in response to the changing economic reality of medieval society. He argued that medieval scholastics did not think trade was intrinsically sinful; however, they did think it was

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[183] Hunt and Murray, 71-72.
[184] Hunt and Murray, 69.
[185] Hunt and Murray, 69.
[186] Hunt and Murray, 72.
[187] Hunt and Murray, 73.

morally dangerous because of the likelihood of sinning while buying and selling.[188] Most scholastics saw merchants along the lines of Aristotle as "someone who bought with the intention of reselling at a profit."[189] This contradicted the ideal for scholastics of eliminating merchants' profits by putting consumers directly into contact with producers at the marketplace: however, this model was unrealistic given the reality of international trade during the commercial revolution and therefore did not significantly affect merchants' behavior.[190] Nonetheless, scholastic hostility toward merchants became increasingly hard to justify after the millennium when the economy of Europe took off and the social status of merchants rose because of the increasing evidence of their usefulness to their communities.[191] In short, scholastics relaxed their position on merchants' pursuit of wealth over time in response to the growing contradiction of economic reality and religious doctrine.[192] Scholastics came to recognize the importance of commerce to fulfill the needs of society by redistributing goods between areas of surplus and scarcity.[193] By the fifteenth century, almost all theologians accepted merchants because of their importance to an area's economy and community, with the exception of monopolists, pawnbrokers, and speculators who tried to rig the market out of sheer greed.[194] However, in theory economic gain could still not be justified for the sake of pursuing wealth: "it could be justified only on social grounds as a remuneration for services."[195] Nevertheless, scholastics' position on merchants' pursuit of wealth did

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[188] Julius Kirshner, ed., *Business, Banking, and Economic Thought in Late Medieval and Early Modern Europe: Selected Studies of Raymond de Roover* (Chicago: University of Chicago Press, 1974), 336.
[189] Kirshner, 339.
[190] Kirshner, 339.
[191] Kirshner, 336.
[192] Kirshner, 336-337.
[193] Kirshner, 337-338.
[194] Kirshner, 340.
[195] Kirshner, 340.

not significantly affect the behavior of merchants in the Late Middle Ages according to de Roover. Rather than theologians affecting the behavior of merchants, merchants' behavior essentially was responsible for the evolution of theologians' attitudes toward pursuit of wealth by merchants.

The importance of these different scholarly opinions for the purposes of this essay is that they suggest an environment of ambiguity in terms of the Church's usury doctrine in the fourteenth and fifteenth centuries. This ambiguity contributed to an environment of permissiveness and uncertainty as to precisely what kind of behavior was sinful or not sinful. As shown in this chapter, by the fourteenth and fifteenth centuries, ambiguity and contradiction pervaded religious regulation of merchant behavior. Hence, any significant regulation of merchant behavior at this time had to come from within merchants as a matter of internal regulation, most importantly through their personal adherence to the behavioral code of honor despite the continuing legacy of Italy as a highly religious society. Though religious norms remained, they no longer as strictly controlled merchant behavior as they did before the fourteenth century. Honor, in combination with religion, became the new taskmaster of merchant conduct, enabling the rise of the capitalist spirit.

Chapter Three: Upon the Fulcrum of Honor

The practice of honorable economic conduct and the embodiment of the capitalist spirit required identical qualities for late medieval Italian merchants. Although businessmen did not use the term "capitalist" to refer to their values, they did understand that honorable conduct would almost always increase their wealth and social status. Honorable economic behavior, stated or unstated, pervaded businessmen's writings as a recommended code of conduct. As Benedetto Cotrugli writes, "As a matter of fact, a sparing, temperate, solid, and upright merchant increases and augments his wealth. This is why we observe that merchants abound in movable and immovable property, in the wealth of their homes, and furniture, in the ornaments and clothing of their families, in the dowering of their sons and daughters, and consequently in the continuous improvement of their condition through intermarriage with even higher [families]...And quite the reverse happens to those who do not have this glorious initiative. That is why the proverb was popular and common with our elders: sad is the house which [never] engaged in trade."[196] This comment, along with other merchant writings, demonstrates the complementary nature of honorable behavior and business success. Although merchants did not articulate it as such, this belief exemplifies the capitalist spirit.

Honor itself is an elusive concept to define since it incorporates both internal and external elements and often overlaps with other motivations such as religion. For example, it promotes a certain code of conduct in everyday life in which a person avoids actions conductive to disrepute and internal feelings of shame, yet social norms inform its internal and external aspects. Both honor and religion had a role in Cosimo de' Medici's

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[196] Robert S. Lopez and Irving W. Raymond, *Medieval Trade in the Mediterranean World* (New York: Norton, 1967), 417.

decision to donate vast amounts of money to build and maintain churches: religion in the sense that he was consciously attempting to perform penance for his sins and honor in regard to the secular benefits such as increased fame of making a show of his donations.[197] In addition, honor is also an elusive concept because it is intensely flexible, having different shades of meaning depending on a society's particular time, place. and values. Nevertheless, it differs from religion because it is ultimately a secular motivation across time and space. To cite one example, while a family's honor might motivate family members to perform violent deeds such as vendettas, religion as a code of behavior would frown upon such behavior. In other cases such as donating money to churches, the demands of religion and honor corresponded neatly. Because of this flexibility, assessing whether it is present often requires a case-by-case examination. Nevertheless, some trends become clear after considering many examples such as the demands of honor on the economic behavior of late medieval Italian merchants.

Regrettably, for the study of history, historians have traditionally ignored the intersection of honor, religion, and capitalism. In the particular case of honor, this is a tragic mistake because, as ample anthropological research has shown, honor has traditionally played an important role in the lives of Mediterranean peoples, especially in economic and social interactions.[198] The salient reason behind its influential role lies in the fact that it is variable rather than fixed. For example, Paolo da Certaldo begins his book on merchant advice by writing: "In this book, we shall give many good examples,

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[197] Vespasiano da Bisticci. *The Vespasiano Memoirs: Lives of Illustrious Men of the XVth Century*, trans. William George and Emily Waters (London: George Routledge, 1926), 218.
[198] Some examples of anthropological and sociological works about honor include Julian Pitt-Rivers. *The Fate of Shechem or the Politics of Sex: Essays in the Anthropology of the Mediterranean* (Cambridge: Cambridge University Press, 1977); J.K. Campbell, *Honour, Family, and Patronage: A Study of Institutions and Moral Values in a Greek Mountain Community* (Oxford: Clarendon Press, 1964); and J.G. Peristiany and Julian Pitt-Rivers, eds., *Honor and Grace in Anthropology* (Cambridge: Cambridge University Press, 1992).

practices, proverbs, and admonitions. Therefore, my son, brother, my good friend, neighbor, or comrade, or whoever you may be who read this book, listen well and understand what you shall find written here, and put it into action. Much good and honor will come to you, in body and soul."[199] If society did not believe a person's level of honor could change, there would be little incentive to behave honorably.

Honor has traditionally had an extremely important role in the Mediterranean world. The historical roots of this significant role date back to time immemorial, beginning at the latest in Homeric Greece. Some scholars have argued that life in Homeric Greece was emblematic of a "shame culture" based on many examples from ancient Greek literature.[200] Similarly, some scholars have identified honor as central to classical Romans' existence. Carlin A. Barton goes so far as to claim that the ancient Romans understood honor as "the life of matter."[201] Even today, anthropologists often argue that honor remains central to the daily lives of modern Mediterranean peoples. In a twentieth century study of the Sarakatsani, a semi-nomadic shepherd community in continental Greece, J.K. Campbell noted the great value placed upon honor by this isolated community. [202] Sarakatsani society understands honor "as a sign of the recognition of the excellence or worth of a person."[203] Men deemed honorable possess a courageous spirit along with strong self-esteem and self-reliance.[204] Just as with Italian

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[199] Vittore Branca, ed., *Merchant Writers of the Italian Renaissance*, trans. Murtha Baca (New York: Marsilio, 1999), 45.
[200] See, for example, Douglas L. Cairns, *Aidōs: The Psychology and Ethics of Honour and Shame in Ancient Greek Literature* (Oxford: Clarendon Press, 1993), 43, and Bernard Williams, *Shame and Necessity* (Berkeley: University of California Press, 1993), 5.
[201] Carlin A. Barton, *Roman Honor: The Fire in the Bones* (Berkeley: University of California Press, 2001), xi.
[202] J.K. Campbell, *Honour, Family, and Patronage: A Study of Institutions and Moral Values in a Greek Mountain Community* (Oxford: Clarendon Press, 1964), 19.
[203] Campbell, 268.
[204] Campbell, 269.

merchants in the late Middle Ages, this society sees a close interconnection between a person's level of honor and his status in society – those of low status cannot have a reputation for honor even if they have not done anything wrong.[205] In short, to be poor is not just to be dishonorable in the eyes of society: it is to be disreputable, immoral, and shameful. In addition, just as in ancient Roman society and late medieval Italian society, honor, though it carries consequences for a person's role in society, is fluid, subject to constant contest and correction. Perhaps this understanding of honor is unique to Mediterranean societies; perhaps it is not. Regardless, the importance of showing the continuity in Mediterranean conceptions of honor lies in it demonstrating the close connection between status and honor. This will be helpful in identifying how late medieval Italian merchants understood honorable conduct as not just a way of pursuing wealth without sin, but as a way of demonstrating how, in an almost Calvinistic manner, they came to see achievement of wealth as providential, worthy of societal recognition and acclamation.

Regarding the relationship between honor and religion as codes of conduct, it is important to note that honor complemented religion. In pre-Reformation Italy, despite the crises of the fourteenth and fifteenth centuries, religion remained influential in society; it probably was extremely difficult for an unreligious person to gain a reputation for honorable conduct. To cite one example, according to Vespasiano da Bisticci, Cosimo de' Medici at one point felt uneasy about how he had lived his life and sought to earn religious sanction for his wealth: "Now Cosimo, having applied himself to the temporal affairs of the state, the conduct of which was bound to leave him with certain matters on his conscience…awoke to a sense of his condition, and was anxious that G-d might

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[205] Campbell, 273.

pardon him, and secure to him the possession of earthly goods. Wherefore he felt he must needs (sic) turn to pious ways, otherwise his riches would be lost to him."[206] Cosimo proceeded to meet with Pope Eugenius to discuss his misgivings about the moral legitimacy of some of his wealth, and decide to build a monastery and provide for its inhabitants on Pope Eugenius's recommendation as a sign of contrition.[207] Construction of this monastery, S. Marco, with concomitant provisions cost Cosimo over forty thousand florins.[208] Nevertheless, Cosimo's atonement for his sins was not yet complete. In addition to funding the construction of S. Marco, Cosimo gave money to build a church in Jerusalem, repair a college in Paris, and build another convent and part of a church, a house of Observationist Franciscans.[209] Indeed, as Bisticci remarks, "There was not a year when he [Cosimo] did not expend on building from fifteen to eighteen thousand florins."[210] Because of his actions, Cosimo seems to embody a sentiment emphasized by P.J. Jones: "Engaged in trade...he is a man of business in them all, though ready enough to praise the consolations of philosophy, recommended pious reading, and uphold the example of...'Our fathers the Romans from whom, as we are their spiritual descendents, we should demonstrate our descent by virtuous and practical actions as well.'"[211]

Cosimo was not alone in dedication to charitable giving. Multifarious examples demonstrate that this commitment was general among late medieval Italian business families, even those with significantly less wealth than Cosimo's family. In 1347, a few

[206] Bisticci, 218.
[207] Bisticci, 218-219.
[208] Bisticci, 219.
[209] Bisticci, 220.
[210] Bisticci, 222.
[211] P.J. Jones, "Florentine Families and Florentine Diaries in the Fourteenth Century," in *Social and Economic Foundations of the Italian Renaissance*, ed. Anthony Molho (New York: John Wiley & Sons, 1969), 40-41.

partners of the Bardi Bank recorded acts of charitable giving, including donations from individual partners with a value of no more than a few hundred gold florins.[212] While there were certainly other reasons for eleemosynary donations other than religious sentiments such as social pressures to show off one's wealth to society, we should not underestimate the lingering factor of religion. After all, donations of only a few hundred florins would most likely have escaped the notice of society, especially when compared to the vast alms given by businessmen such as Cosimo de' Medici, yet they remained commonplace. Writing in the early fourteenth century, Dino Compagni wrote, "He [a merchant] will be worthier if he goes to church, Gives for the love of G-d..."[213] Since money donated is money lost for business investment by merchants, a rational businessman would have had to receive some kind of intrinsic utility from charitable acts that were too small for society to notice. For Italian merchants, religion was certainly one leading factors behind this utility, especially in a society thoroughly dominated by one religion, Catholicism. Few people better state this principle than Alessandra Strozzi who remarked in a letter to one of her sons, Filippo, dated March 22, 1464, "I want you to know that if I die I won't have any cash in my coffers, because I will have spent it on my soul instead, which is the most useful thing I have. I'm careful not to spend money badly or uselessly, so there's nothing else to be said about it."[214] In a similar manner, Francesco Datini's will provided for the transformation of his main home in Prato into a center of charity for the poor called The Hospice of the Poor of Francesco di Marco.[215] This hospice was the only beneficiary in Datini's will – he left his entire estate to fund it in

[212] Lopez and Raymond, 419-420.
[213] Lopez and Raymond, 426.
[214] Alessandra Strozzi, *Selected Letters of Alessandra Strozzi*, trans. Heather Gregory, bilingual edition (Berkeley: University of California Press, 1997), 107.
[215] Branca, 133.

perpetuity. The significance of these many examples of religiosity among merchants is that they demonstrate the great degree to which religion permeated merchants' thoughts and deeds. Nevertheless, religion was likewise supplemental to honor for a successful merchant.[216] Without honor, there could be no sustainable wealth: without religion, there could be no eternal salvation. In order to realize happiness in this world and the next, a merchant had to take account of both behavioral codes.

Religion did not have an equal influence on all late medieval Italian merchants. There are many examples of businessmen who seemed not to have possessed any substantive religious scruples. In Giovanni Boccaccio's *Decameron*, Andreuccio recouped money that a young Sicilian woman had robbed from him by stealing a ring from an archbishop's sarcophagus.[217] Even though this particular case is fictional, Boccaccio could not have imagined such irreligious behavior in a society in which religion's agency was uniform. Indeed, Boccaccio's letters indicate that he witnessed this kind of irreligion through the behavior of Niccola Acciaiuoli, a very powerful merchant who operated in Naples in the mid-fourteenth century. Niccola put on airs while visitors awaited an audience with him, wasting their time by devising lies about how he was preoccupied with great tasks like "saying the divine office."[218] This degree of irreligion is also apparent in the actions of Siena's government during a famine in the early fourteenth century when the Council of Nine threatened to execute a minister of the Hospice of Santa Maria della Scale if he persisted in dispersing food to the poor and hungry.[219]

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[216] As Lionardo argues, "In every thought and action, in every deed and habit, work and occupation, in word, hope, longing, in our entire will and desire, in absolutely everything that concerns us, let us always take the counsel of honor," in Leon Battista Alberti, *The Family in Renaissance Florence*, trans. Renée Neu Watkins (Columbia: University of South Carolina Press, 1969), 149.
[217] Branca, 13-15.
[218] Branca, 33.
[219] Branca, 39.

According to Domenico Lenzi il Biadaiolo, envy was the primary motivation behind this action.[220] Siena's government proceeded to tell the poor that they would not receive any more charity and eventually ordered all the poor to leave Siena within three days on penalty of execution.[221] Nevertheless, despite the crises of the fourteenth and fifteenth centuries and the church's internal problems, religion remained pervasive across society, strongly influencing the actions of merchants. Because these people did not display at least a superficial show of respecting religion, they were not capitalists. Their failure to respect social mores precluded this possibility.

Many merchants, even if they were not personally religious, probably felt compelled to adhere to the behavioral code of religion for form's sake. For example, merchants often invoked G-d's blessing at the beginning of their account books, such as Gregorio Dati prefacing his diary by writing, "In the name of G-d, Father, Son, and Holy Ghost, I shall here record some particular things known to myself."[222] Later, Dati reiterates this invocation when he remarks, "In the name of G-d, the Virgin Mary and all the Saints – may they grant me health in soul and body and prosperity in business – I shall record here all my dealings with our company."[223] The importance of these invocations lies in the manner in which they reflect the importance of adhering to forms demanded by the behavioral code of religion. Dati himself was certainly a sinner. For example, less than a year and a half after Dati's wife died, he sired an illegitimate child with a Tartar slave, Margherita, and proceeded to name the child after St. Thomas.[224]

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[220] Branca, 39.
[221] Branca, 41.
[222] Gene Brucker, ed., *Two Memoirs of Renaissance Florence: The Diaries of Buonaccorso Pitti and Gregorio Dati*, trans. Julia Martines (New York: Harper Torchbooks-Harper & Row, 1967), 107.
[223] Brucker, *Two Memoirs of Renaissance Florence*, 108.
[224] Brucker, *Two Memoirs of Renaissance Florence*, 112.

Nevertheless, despite Dati's sinful acts, he was intensely religious (or at least spiritual) far beyond the demands of form. Dati pledges in his diary to perform deeds not demanded of him by form or custom such as donating twenty *soldi* to the poor and saying twenty Paternosters and Avemarias each time he enjoyed "carnal pleasures" on a Friday, and attempting to abstain entirely from business on Church holidays except in cases of absolute necessity.[225] Since Dati recorded this resolution in his diary (which was probably not intended for reading by the public), this display of religiosity seems genuine. This is just one of many cases in which religion played a major role in influencing the behavior of merchants and other businessmen.

It is important to emphasize that the standards of honorable pursuit of wealth were not necessarily uniform across society. Merchants certainly deviated from the ideal depending on their social status, according different values to the many elements of honorable behavior. Indeed, it is telling that Benedetto Cotrugli suggests that society should not hold poor businessmen to the same standard as rich businessmen when he writes that the impoverished ought to pursue wealth by nearly any means possible, even through serving others: "One should not be ashamed of being with others and serving...and of making any low and mean exertion, provided it is honest, to enable oneself to begin to have [something]."[226] This strongly suggests that pride was a virtue the poor could mostly not afford, revealing that society would grant some leeway in how a businessmen sought to begin earning his fortune. Nonetheless, dishonorable conduct remained outside the boundaries of acceptable behavior and could cause irreparable damage to a merchant's future economic prospects through the concomitant harm to his

[225] Brucker, *Two Memoirs of Renaissance Florence*, 124-125.
[226] Lopez and Raymond, 415.

reputation. The public rejected the idea that it was possible to achieve a reputation for honor without actually being good. As an anonymous merchant from the fourteenth century notes, "Man does not have a clearer or dearer friend than his good name. For, whoever enjoys a good reputation cannot help but be good, just, and upright."[227]

Society did not perceive any fault in earning a fortune as long as merchants realized it honorably. According to Cotrugli, society appreciated mercantile activity because of its role in providing cities with needs such as food and luxury goods like jewels and gold, and employing the poor.[228] These important roles allowed merchants to enjoy a high status because of their reputation for "dignity" and "faith".[229] Leon Battista Alberti reiterates this point when he portrays Lionardo as saying that man exists to praise G-d for the ability to produce material goods to fulfill human needs.[230] In addition, society esteemed merchants because their great wealth and status allowed them to make associations with well-respected, honorable people.[231] In short, the economic role of merchants granted them respect by society because of the intrinsic dignity of their calling as fulfillers of needs and wants.

Because there was a positive relation between one's social status and societal perception of one's level of honor, commerce had an important function in allowing merchants to increase their status and supposed level of honor. In a letter to Filippo dated February 8, 1450, Alessandra Strozzi remarked that it was Filippo's duty to perform well

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[227] Anthony Molho, ed., *Social and Economic Foundations of the Italian Renaissance* (New York: John Wiley, 1969), 54-55.
[228] Lopez and Raymond, 416-417.
[229] Lopez and Raymond, 418.
[230] Leon Battista Alberti, *The Family in Renaissance Florence*, trans. Renée Neu Watkins (Columbia: University of South Carolina Press, 1969), 134.
[231] Lopez and Raymond, 417-418.

in running a firm for the sake of the family's status and honor.[232] Success in business led to wealth, and the realization of wealth increased social recognition of the family's honor. Hence, the importance of gaining wealth to increase a family's honor was clear: once a family realized wealth and therefore a high status, it could increase its honor further since it gained the financial means to perform noble deeds such as aiding the needy.[233] In this manner, success built upon success: honorable wealth once achieved could stimulate further increases to a family's reputation for honor.

Of all the characteristics required for merchants to pursue wealth honorably, the practice of thrift was among the most important. There were close connections between thrift, the virtue of prudence, and desire for moderation to ensure the financial well-being of one's descendents. As Paolo da Certaldo writes, "It is a great and good thing to know how to earn money, but it is even better to know how to spend it wisely. And to know how to retain and guard that which has been left to you from your patrimony by other relatives is superior in merit to the above mentioned virtues."[234] Cotrugli echoes this sentiment when he argues, "And to proceed according to our design we shall state that in order to maintain this dignity it is necessary for a merchant to remove any undignified ornament both of the soul and the body."[235] In a letter dated August 24, 1447, Alessandra Strozzi advised Filippo, to "be careful with money."[236] Alessandra provided similar advice to another of her sons, Lorenzo, in a letter sent on February 27, 1453, in which she criticized him for wasting money on trivialities like having birds sent to him in Bruges

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[232] Strozzi, 53-55.
[233] Alberti, 142.
[234] Gene A. Brucker, *Renaissance Italy: Was it the Birthplace of the Modern World?* (New York: Rinehart, 1958), 3.
[235] Lopez and Raymond, 418.
[236] Strozzi, 35.

from Florence, saying that these actions were "displeasing [to] G-d, which matters more than anything else, and me as well, as it makes me very unhappy to hear about your failings. I leave it to you to consider the harm and shame that come from it."[237] In addition, an anonymous merchant went so far as to liken a lifestyle of excessive expenditure to "a continuous fever which kills men."[238] Therefore, the importance of thrift lies in its centrality to the collectivistic aspect of honor. Excessive ornamentation harmed a person's honor by encouraging a lifestyle of wastefulness. As an anonymous merchant aptly notes, "Careless and immoderate expenditures result in bad and dishonest earnings."[239] In all these examples, trying to live according to a golden mean between extremes was essential for merchants, never letting anything be complete.[240] As Giannozzo remarks according to Leon Alberti, "With every expenditure one must only be sure that the cost is no greater or heavier or larger than is needed, yet no less than honor requires."[241]

Also associated with the practice of thrift was the importance of prudence in devising one's economic strategy. To pursue wealth honorably, a merchant was supposed to earn money systematically according to a plan rather than haphazardly, never risking more money than he could afford to lose. Cotrugli echoes this when he argues that great merchants ought to adhere to an orderly business plan that diversifies his investments so that there is little chance of merchant experiencing ruin if an investment went bad. [242] Other valuable business practices for merchants included knowing the value of their

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[237] Strozzi, 67-69.
[238] Molho, 56.
[239] Molho, 56.
[240] Branca, 48.
[241] Alberti, 162.
[242] Lopez and Raymond, 414.

goods and keeping meticulous records.[243] An additional demand of prudence encompassed the common sense driven business practice of buying goods only when supply was high to acquire them at a low price. Alessandra Strozzi recognized this principle when she asked Filippo to send her almonds when he was in Naples because almonds were expensive in Florence, but cheap in Naples.[244] In addition, Giovanni di Antonio da Uzzano wrote in *The Practice of Commerce* in 1442. "That is, you ought never to buy in [a time of] dearth, for very seldom do you do well with it, and [while] you may do well with it, you [also] may incur great loss from it. And hence, when a commodity is expensive, [barely] touch it with your finger, but when it is underpriced you can let yourself go."[245] Interestingly, he does not seem to set any bounds to acquiring goods when they were excessively cheap, even in extreme cases when a buyer might be taking advantage of a seller. This helps reiterate the point about the diverse religiously grounded perceptions of where to draw the line between religion and profit.

Initiative in pursuing wealth was a necessary condition for a merchant to live an honorable life. Part of the reason why initiative was so important was the reality of a turbulent world in the fourteenth and fifteenth centuries in Italy. Hard work was the best friend a merchant had in gaining and keeping wealth.[246] Faced with a world in which little was certain, it became imperative for merchants to do their best in taking advantage of opportunities that presented themselves, since these opportunities often did not last if unfulfilled. Certaldo emphasizes this point when he writes, "Always strive to gain...You

[243] Molho, 57.
[244] Strozzi, 41.
[245] Lopez and Raymond, 421.
[246] See, for example, Branca, 61.

do not know how long you will live, nor do you know your fortune."[247] In addition, Certaldo provides similar advice when he argues that it is always preferable for merchants actively to pursue wealth: "If you have money, do not stand still nor keep it at home dead, for it is better unprofitably to act than unprofitably to stand by. Because if you act, [even] if you gain nothing else, you will not lose your trade contracts. And if you lose nothing of the capital and do not lose your trade contracts, you gain enough."[248] Likewise, according to Vespasiano da Bisticci, Cosimo de' Medici preferred to hold company with men of initiative: "He was grave in temperament, prone to associate with men of high station who disliked frivolity, and averse from all buffoons and actors and those who spent time unprofitably."[249] This sentiment is also apparent in Lionardo's words according to Leon Alberti: "There is nothing that leads more quickly to dishonor and disgrace than idleness."[250]

Despite this preference for hard work, however, there were limits to how much initiative society would tolerate. Excessive initiative ran the risk of associating a person with intolerably great ambition, to the detriments of his social status. One person who encountered this problem was Cosimo de' Medici, since his great ambition for a high position in society and good reputation actually led people to dislike him so much that some attempted to have him executed – even though this plot failed, Cosimo did experience imprisonment and exile.[251] Even though great initiative could have consequences, however, hard work was integral to the capitalist spirit.[252] The fact that

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[247] Brucker, *Renaissance Italy: Was it the Birthplace of the Modern World?*, 4-5.
[248] Lopez and Raymond, 424.
[249] Bisticci, 213.
[250] Alberti, 132.
[251] Bisticci, 213-215.
[252] Emblematic of the capitalist spirit is Lionardo's words according to Leon Battista Alberti: "Let us agree, then, that man was not born to languish in idleness but to labor and create magnificent and great works,

merchants seemed to have valued people with initiative who attempted to better their station in life supports the idea that the capitalist spirit dates back at least to late medieval Italy, which abounded in people such as Lorenzo Alberti, the father of Leon Battista Alberti, who firmly believed that honor and "laziness and sloth" were polar opposites.[253]

Modesty was also important element for merchants in living an honorable life. While this was sometimes difficult since merchants often accumulated fortunes in the course of trading, it was important to remain modest because of the consequences of excessive pride and vanity in a highly religious society. In a world in which the church still wielded a large amount of power in everyday life, it would certainly have been advisable to avoid actions that encouraged the church's ire. Probably because of this, Certaldo advised merchants always to portray themselves as having less money than they actually did.[254] Writing in the early fourteenth century, Giovanni Frescobaldi echoes this when he advises merchants to conduct their affairs unpretentiously: "Wear modest colors, be humble, be dull in appearance but in fact be subtle..."[255] In an interesting twist, Giovanni Morelli provided similar advice, claiming a modest lifestyle would help merchants avoid terrible losses: "And never show off your wealth but keep it hidden, and always by words and acts make people believe that you possess one half as much as you have. By following this course you cannot be too badly cheated, neither you nor those who will be left after you."[256] A central reason behind the advisability of modesty was that many individuals overestimated merchants' wealth, wrongly assuming they were far

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first for the pleasure and glory of G-d, and second for his own enjoyment of that life of perfect virtue and its fruit, which is happiness," Leon Battista Alberti, *The Family in Renaissance Florence*, trans. Renée Neu Watkins (Columbia: University of South Carolina Press, 1969), 135.

[253] Alberti, 38.

[254] Brucker, *Renaissance Italy: Was it the Birthplace of the Modern World?*, 4.

[255] Lopez and Raymond, 423-424.

[256] Lopez and Raymond, 423.

wealthier than they actually were. As an anonymous merchant argues, "And everyone feels that all of the merchant's transactions are successful, and that in his hands bird droppings turn into gold, and that he earns from each transaction as much as he wishes."[257] This same merchant proceeds to note that moderate living carries additional rewards: "A good name is always derived when one leads a moderate life, for it is a precious and praiseworthy thing. This kind of life often aids and defends a man in circumstances in which he would not be appreciated."[258] Hence, without modesty, a person's reputation for honor was fundamentally unsustainable.

Merchants valued modesty because practicing immoderate behavior was tantamount to rejecting their origins and denying the legitimacy of the very means by which he earned his fortune. The character of Niccola Acciaiuoli is emblematic of this renunciation. In a letter sent by Boccaccio to Francesco Nelli, Boccaccio writes that his initial belief that Niccola's character would improve after gaining power was wrong: it considerably worsened.[259] Niccola came to despise his former friends, believing himself superior to them. As Boccaccio acridly writes about Niccola, "If it were up to him, they [his "friends"] would die like animals without any doctor's advice or even the last sacraments."[260] To increase the "glory" of his name, Niccola made it virtually impossible for anyone to see him and behaved incredibly arrogantly: "He treats everyone as if he were the only one infused with a soul from heaven, while all the others were brute beasts."[261] At the end of Boccaccio's letter, he recognizes that while Niccola's talents

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[257] Molho, 54.
[258] Molho, 54-55.
[259] Branca, 32.
[260] Branca, 32.
[261] Branca, 35.

might have earned him a high station, he erred in abusing it since fortune was fickle.[262] By rejecting his origins, Niccola earned the hatred of at least some, to the detriment of his name.

Participation in public life was not an essential condition to be an honorable merchant. While many wealthy businessmen did serve as public officials, many merchants saw this practice as unnecessary despite the traditional belief that actively engaging in a state's political life would enhance a person's reputation for honor. The main reason behind this sentiment seems to have been the common belief that holding a public office inherently corrupts officials and distracts them from pursuing wealth. One of the wealthiest merchants in the fourteenth century, Giovanni Rucellai, adamantly advised his sons, Pandolfo and Bernando not to aspire to public office because of the possibility that doing so would harm their reputation among those in power.[263] Rather than viewing desire for public office as evidence of a noble character dedicated to serving society. Giovanni saw it as an averment of poor morality because it indicated lust for power regardless of the consequences to others.[264] Once a person became a government official. Giovanni believed that he would invariably earn the hatred of some people without any concomitant gain in friendship.[265] Additionally, Giovanni disliked public life because of the incidence of officials neglecting their own business affairs because of the constant demands of their offices.[266] Giovanni felt that the only way a government official could profit from his office was by being unjust.[267] For Giovanni, the

[262] Branca, 36.
[263] Molho, 195.
[264] Molho, 197.
[265] Molho, 195-196.
[266] Molho, 196-197.
[267] Molho, 197.

characteristics of private life were sufficient to ensure one's happiness such as by being a good provider of one's family; fortune would provide enough opportunities to earn wealth without entering the morally detrimental world of public life.[268] Furthermore, Giannozzo felt that participating in government did not enhance a person's honor because public life yielded nothing but "a life of worries, anxieties, and burdens, a life of servitude."[269] Some merchants therefore saw engagement in public life as not conducive to their families' best interests.

A merchant could not be honorable without embodying the characteristic of behaving "fairly" in commerce, never taking advantage of another person. While this is admittedly a sticky subject since the distinction between "fair" and "unfair" economic behavior was blurry, it remained an important characteristic for honorable merchants, probably because of the religious teachings involved on the question of "fair" economic behavior. Nevertheless, there were some cases society would almost universally consider unacceptable. One such example is the case of Betto Brunelleschi, a wealthy person who hoarded grain during a famine, offering to sell it only at outrageous prices, thereby causing all society to hate him.[270] Similarly, even though Lenzi himself was a grain merchant, he admired the torturing of grain merchants accused of hoarding cereal during a famine in the early fourteenth century.[271] The religious angle behind this hatred is apparent in Certaldo's advice on what types of conduct merchants ought to avoid: "If you wish to save your soul, see that you do not take anything belonging to another, neither by usury, theft, or trickery…How desirable it often is to take the property of another, and

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268 Molho, 198.
269 Alberti, 174-175.
270 Dino Compagni, *Dino Compagni's Chronicle of Florence*, trans. Daniel E. Bornstein (Philadelphia: University of Pennsylvania Press, 1986), 99-100.
271 Branca, 43-44.

how difficult to return that which has been taken! You know that all other sins are pardoned after penance is made. but illicit seizure is never pardoned if you do not return that which has been taken."[272] In another example. Giovanni Morelli argues that merchants should never take advantage of buyers by overcharging them: "Do not sell your merchandise to persons who may be willing to overpay for it; never be ensnared by greed for [high] prices..."[273] Correspondingly, according to Bisticci, Cosimo de' Medici also shared this view: "In all his dealings he never wished that those who worked for him should lose, but that they should be paid for their trouble."[274] On one occasion when Cosimo realized that the surveyor he hired to build Careggi would lose money on the contract, Cosimo promised to make it so the surveyor would not lose money, even though Cosimo could have bound him to by enforcing the contract to its letter.[275] In a similar manner. according to Leon Alberti, Giannozzo recommended that businessmen not take advantage of buyers for the sake of honor since doing so would cause a loss of customers' goodwill and concomitantly hurt the merchant's name.[276] The overlap between the behavioral codes of honor and religion, therefore, is apparent in the requirement of "fair" dealing in economic interactions.

Interestingly, writers often used the motif of "usury" as a symbol of unfair exchanges, even though under the definition of usury as lending money at any interest rate that prevailed throughout the Early and Central Middle Ages, most merchants would have been "usurers" to some degree. Nevertheless, Certaldo himself used the term "usury" as a symbol of bad faith in economic dealings, claiming that it "destroys not only

[272] Brucker, *Renaissance Italy: Was it the Birthplace of the Modern World?*, 4.
[273] Lopez and Raymond, 422.
[274] Bisticci, 222.
[275] Bisticci, 232.
[276] Alberti, 196.

possessions and honor in the world, but also body and soul."[277] In this example, the overlap between religion and religious is apparent. Nevertheless, merchants' rejection of "unjust" earnings does not indicate the absence of the capitalist spirit since they still pursued wealth systematically and prudently.

An interesting aspect of honorable life for a merchant was avoiding habits traditionally associated with the feudal nobility. Chief among these was always residing in cities in order to avoid becoming slothful in pursuing wealth. As Certaldo advises merchants, "'The [country] villa makes good beasts and bad men,' and therefore, use it sparingly. Stay in the city and pursue a trade or commerce and you will prosper."[278] Nevertheless, the attainment of great wealth motivated many merchants to attempt to consolidate their high statuses by emulating nobles. A number of writers such as Giovanni Villani, however, considered this practice to be a dishonorable, even sinful, mistake. As Villani writes, "...there was no citizen, whether commoner or magnate, who had not built or was not building in the country a large and rich estate with a very costly mansion and with fine buildings, much better than those in the city – and in this they all were committing sin, and they were called crazy on account of their wild expenses."[279] Tax records indicate that one of the most famous business dynasties from this era, the Medici family, invested more money in land and government stock than trade between 1427 and 1430.[280] Scholars such as P.J. Jones argue that this preference for a noble lifestyle became increasingly common merchant families over time, especially by the

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[277] Brucker, *Renaissance Italy: Was it the Birthplace of the Modern World?*, 5.
[278] Brucker, *Renaissance Italy: Was it the Birthplace of the Modern World?*, 4.
[279] Molho, 22.
[280] Molho, 34.

sixteenth century.[281] In writing about a usurer who desired to emulate the nobility by acquiring knighthood, Franco Sacchetti laments that this trend was "to the discredit and dishonour of chivalry which, as I see it, is being led to the stables and pig-pens."[282] Even though merchants could certainly have earned money through investment in land, desire for wealth does not seem to have been the primary reason for this strategy.[283] Instead, one of the most important reasons aside from social ambition behind land acquisition by merchants seems to have been its relative security.[284] It therefore symbolized a lack of initiative by merchant investors, which is probably why many considered this practice dishonorable. More importantly, however, the theoretical rejection of the nobility's habits reflects a sense of class-consciousness by merchants, one of the defining features of capitalism emergent.

Perhaps surprisingly, merchant writers sometimes encouraged dishonesty in living an honorable life, such as in cases where telling the truth might harm the family business. The salient principle behind encouraging dishonest acts was that it was often in a merchant's interest to avoid involvement in cases that could jeopardize his independence and self-reliance. In these scenarios, merchants who placed a premium on honor would chose dishonesty as the lesser of two evils. In one example, Certaldo recommends that merchants should never be honest with anyone when discussing their travel plans, presumably because this might spur other businessmen to try to take advantage of whatever opportunities were available where the merchant was traveling.[285] Likewise, Certaldo also mentions the prudence of lying in order to escape becoming involved in

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[281] Molho, 35.
[282] Molho, 145.
[283] Molho, 38.
[284] Molho, 38.
[285] Brucker, *Renaissance Italy: Was it the Birthplace of the Modern World?*, 4.

lending sums on a scale large enough to destroy a family's business.[286] In another example, in 1393 Giovanni Morelli wrote that merchants ought always to manage their own investments: "If you engage in the wool or French-cloth business, do [it] on your own and do not try to grow rich in two days. Manage your own money and never borrow for profit's sake."[287] Additionally, in keeping with the important principle of self-reliance, Morelli recommends that merchants be meticulous and unforgiving in monitoring their factors, instantly reacting to any proof of cheating with dismissal, and never entrusting finances to supposed friends to a great enough degree to bring about economic ruin.[288] In a particularly telling passage, Morelli expands upon this principle when he writes, "But above all, if you wish to have friends and relationships, make sure you don't need them. Strive always to have enough cash and to keep it carefully; that's the best friend or relative you can have."[289] In considering the beliefs of Certaldo and Morelli, along with other examples, it seems that merchants were generally a suspicious lot. The great influence of the church in society does not seem to have had much of an effect in alleviating merchants' pervasive fear that others might cheat them. As an anonymous merchant of the fourteenth century wrote, "One must take good account of the types of people one deals with, or to whom one entrusts one's goods, for no man is trustworthy with money."[290] This constant suspicion helped legitimize some acts of dishonesty by merchants to protect their wealth. Nevertheless, there were limits to how dishonest a merchant could be while remaining honorable. According to Dino Compagni's *Song of Worthy Conduct*, from early fourteenth century Florence, in order to

[286] Brucker, *Renaissance Italy: Was it the Birthplace of the Modern World?*, 4.
[287] Lopez and Raymond, 422.
[288] Lopez and Raymond, 422-423.
[289] Branca, 73.
[290] Molho, 54.

become wealthy, a merchant had invariably to honor his promises once made.[291] In Leon Battista Alberti's *The Family in Renaissance Florence*, Lionardo agrees with this point, saying that honesty in business dealings aided the rise of the Alberti family to prominence all around the Mediterranean basin.[292] Therefore, while dishonesty was acceptable in some circumstances, in was not tolerable in all situations.

In late medieval Italian society, there were severe economic consequences for those deemed dishonorable, particularly in their ability to earn money. Businessmen were rather rigid about avoiding involvement with anybody deemed untrustworthy. Forgiveness was not one of their strong points. One example of this is when Cosimo de' Medici dismissed a surveyor who had cheated him and withheld the surveyor's commission.[293] As an anonymous merchant wrote in the fourteenth century, "In order to know how to behave and act in every circumstance, that is, to know how to recognize and chose whatever must be done, and avoid whatever must be left alone. This means that one should...[not] have patience with those whom one cannot trust, for these people are lords [*signori*], or men with similar inclinations, poor and of ill repute."[294] In other words, merchants were supposed to vary their dealings with others based upon their reputation. When a merchant had no choice other than dealing with a disreputable person, it was important that a merchant be in a position where this person depended on the merchant, avoiding situations in which he had to rely on the other person.[295] A salient feature of this belief was the importance of intention in business transactions. Merchants deemed those with poor reputations, regardless of the contents of their business proposals, to be

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[291] Lopez and Raymond, 425-426.
[292] Alberti, 143.
[293] Bisticci, 233.
[294] Molho, 53-54.
[295] Molho, 55.

unsuitable for economic interactions because of their history of devious intentions.[296] Once they proved themselves untrustworthy, merchants avoided forgiving or forgetting their past deeds.

In a similar manner, there were economic benefits for a merchant having a positive reputation for honor. It could be helpful in reducing transactions costs because of the great amount of trust merchants felt comfortable vesting in people with a known reputation of honorable conduct. To recount one example, Donato Velluti writes that one of the merchants in the Velluti family, Bonaccorso di Pietro, enjoyed such a strong reputation for honor that he benefited in business: "He enjoyed such a good reputation that when a shipment of Milanese cloth arrived in Florence (for he ordered a great deal of cloth from Milan), he would sell it out of it even before the bales were untied."[297] In this case, Bonaccorso di Pietro benefited financially from his reputation, granting him a considerable comparative advantage in competing against other merchants who might have lacked this degree of vested trust.

Honor, therefore, was pivotal to a merchant's existence in late medieval Italy. From the characteristics that defined honorable mercantile conduct to the concomitant advantages and disadvantages to merchants based upon their reputation for honor, mercantile life was geared toward an entrepreneurial outlook as it embraced capitalistic values. While this particular mindset arguably had diminished somewhat by the beginning of the sixteenth century, the fourteenth and fifteenth centuries witnessed the birth of something new and exciting in Italy: the capitalist merchant, motivated by honor, constrained no longer by religion, modern in outlook, yet traditional in values.

[296] Molho, 56.
[297] Branca, 115.

Chapter Four: A Doctrine of Providence for Business

The doctrine of providence is the idea that G-d rewards virtuous behavior in this world. In the case of late medieval Italy, adherence to the behavioral codes of honor and religion, especially at their points of intersection, was the central conduct rewarded according to this doctrine. Interestingly, this concept in practice was identical to the supposedly unique Calvinistic strain of providence identified by Weber. Examples abound, however, of its existence in late medieval Italy before the Reformation. According to Heather Gregory, Alessandra Strozzi, the wife of Matteo Strozzi, a merchant, and thereby part of one the most politically and socially prominent families in Florence, firmly believed "that G-d rewarded good Christians in this life."[298] In a letter to one of her sons, Lorenzo, Alessandra remarks that she was afraid that Lorenzo's conduct would come back to haunt him "because he who doesn't do his duty gets a nasty surprise."[299] Therefore, for Alessandra, the hand of fortune came as a response to a person's deeds rather than as a precursor. Similarly, Leon Alberti portrays Giannozzo as remarking that his practice of thrift was the most important reason why fortune was generally favorable to him.[300] Nevertheless, it is important not to forget the role of honor in this doctrine. Without honor, wealth would be fleeting, unsustainable. Without sustainable wealth, there would be no signs of divine favor for honorable and virtuous conduct. In such circumstances, the doctrine of providence could not exist.

One of the difficulties in claiming the simultaneous coexistence of the capitalist spirit and the doctrine of providence lies in the question of to what extent did businessmen become fatalistic in outlook, particularly in their realization of wealth. It is

[298] Strozzi, 17.
[299] Strozzi, 69.
[300] Alberti, 163.

easy to confuse the issue, wrongly perceiving that merchants believed they earned fortunes solely through divine favor. Ample evidence suggests that this argument, which would seem to indicate the non-existence of the capitalist spirit, would be in error. In late medieval Italy, businessmen believed the hand of providence existed as a reward or punishment for a merchant's actions. If a merchant possessed all the characteristics necessary to be honorable, he would almost invariably become wealthy. Only then would the hand of G-d appear, rewarding the same habits that produced merchants' wealth with even greater prizes. Merchants consciously recognized this: as Morelli writes, "For G-d helps those who help themselves, and who accomplish things through their own toil."[301] In a similar manner, Leon Battista Alberti argues that hard work was sufficient for peoples and nations to be successful: "If we think about the republics and principalities of the past...[we see that] fortune was never more important for any state than good and pious traditions of conduct...Love of country, fidelity, diligence, highly disciplined and honorable behavior in the citizens – these have always been able, even without the help of fortune, to earn and kindle fame."[302] For Leon, hard work could always trump fortune since fate "has in her hand only the man who submits to her."[303] Indeed, Leon believed that anybody who possessed "nobility of soul" could earn "glorious praise, eternal fame, [and] immortal glory."[304] According to Leon, this kind of "nobility" was accessible to all through virtuous behavior.[305] In the case of his family in particular, Leon believed that it became prominent and wealthy because of its virtues alone, which insulated it against all

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[301] Branca, 61.
[302] Alberti, 26.
[303] Alberti, 28.
[304] Alberti, 29.
[305] Alberti, 30.

ill fortune.[306] Lorenzo, Leon's father, supposedly remarked on his deathbed that an honorable lifestyle would enable a person to weather all adversities and emerge with an even greater strength of character.[307]

In addition, merchants acutely aware of the possibility of the opposite, namely that G-d disciplined the dishonorable through the agency of fate. One of the ways in which G-d punished the dishonorable was by making them miserable, regardless of how much wealth they had: "One who provokes trouble by his vices and impiety is led to transgress further and fall deeper into error the more he deserves evil from oneself and from G-d's gifts. This is the way things go when a man full of vice seeks from particular activities more or less reward than can be had by the dictates or with the consent of reason and honor...He will finally make himself unhappy and miserable..."[308] Therefore, just as honorable living would almost invariably ensure wealth along with additional rewards from G-d, dishonorable living would supposedly bring about discontent. Although merchants did recognize that fortune to some degree affected one's condition in life,[309] they believed that its influence could only be temporary. A person's success or failure in business was ultimately the product of his character, mostly determined by society's recognition of his honor or lack thereof. The intense entrepreneurialism represented by the doctrine of providence serves as additional evidence of capitalism entering a new stage in the fourteenth and fifteenth centuries.

Without the existence of the capitalist spirit in late medieval Italy, society could not have sustained nearly as much industry and commerce as it actually did. The statistics

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[306] Alberti, 30-32.
[307] Alberti, 43.
[308] Alberti, 136.
[309] See, for example, Alberti, 145-146.

from this era are quite remarkable, suggesting there was more at work among merchants than a primitive. greed driven mentality. Writing in the first half of the fourteenth century, Giovanni Villani wrote that the Florentine cloth-makers guild alone employed more than thirty thousand workers to produce between seventy and eighty thousand cloth pieces per year, with a combined value of over one million two hundred thousand gold florins.[310] Moneychangers ran approximately eighty banks in Florence, and, according to Villani, "Merchants and mercers were a large number; the shops of shoemakers, slipper makers, and wooden-shoe makers were so numerous they could not be counted."[311] Writing in 1473, Lorenzo de' Medici wrote that his great-grandfather, Giovanni Averardo, left a total estate worth over one hundred seventy-eight thousand florins when he died in 1428 – in 1440, Cosimo de' Medici's brother left an estate worth over two hundred thirty-five thousand florins.[312] Lorenzo also notes that between 1434 and 1471. the Medici family spent over 663.775 florins on alms, taxes, and buildings alone.[313] This vast scale of industry and wealth indicates something had change in business life: the rise of the systematic pursuit of wealth across generations of Italian families.

Nevertheless, copious wealth is not enough to prove that the capitalist spirit exists (although it certainly helps this argument). The capitalist spirit itself is a mentality, a set of values that promote a spirit of enterprise, a stouthearted approach to life. It is most of all the practice of the belief that "time is money," which assumes that time is linear. As Le Goff writes, "For the merchant. the technological environment superimposed a new and measurable time, in other words, an oriented and predictable time, on that of the

[310] Molho, 20.
[311] Molho, 21.
[312] Branca, 153-154.
[313] Branca, 157.

natural environment, which was a time both eternally renewed and perpetually unpredictable."[314] Nowhere is this concept articulated better than by Giannozzo's comment according to Leon Alberti that "One must, therefore, keep an eye on time, and plan to suit the season; one must labor steadily, and not lose a single hour."[315] Numerous other examples indicate this approach was common among late medieval Italian businessmen. In *The Family in Renaissance Florence*, Leon Alberti portrays Adovardo Alberti as claiming, "Whether because of the nature of the region or because of the character and custom of its past inhabitants, everyone seems bred to the cultivation of profit. Every discussion seems to concern economic wisdom, every thought turns about acquisition, and every art is expended to obtain great riches."[316] In the particular context of late medieval Italian business life, the commonality of greed without restraint was long since past. It was incompatible with the exemplification of the capitalist spirit. As Leon Alberti portrays Lionardo as remarking, avarice and greed have only the power to harm.[317] Indeed, in pursuing wealth honorably merchants realized wealth systematically and steadily through a zest for competition and worldly engagement. Lionardo's words symbolize this kind of approach to life: "In the race of human life and the general contest for honor and glory, likewise, I think the first step is to choose an appropriate, manageable vessel for your powers and talents, then to strive hard for first place."[318] For Lionardo, a person of honor would always do well in this "contest," never finishing last.[319]

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[314] Jacques Le Goff, *Time, Work, & Culture in the Middle Ages*, trans. Arthur Goldhammer (Chicago: University of Chicago Press, 1980), 35.
[315] Alberti, 172.
[316] Alberti, 53-57.
[317] Alberti, 132.
[318] Alberti, 140.
[319] Alberti, 140.

In considering the capitalist spirit, we ought to remember that just as honor as a behavioral code did not emerge overnight, the capitalist spirit required centuries of gradual change before emerging in a unique form in late medieval Italy. The capitalist spirit, like capitalism, is neither stationary nor static; it differs according to societies' particular time and place, incorporating forces at work for centuries, if not millennia. It never takes the same form in different countries since nations' histories entrench certain cultural values such as the importance of honor in the Mediterranean world. When and if the capitalist spirit does arise, it must make do with a country's culture; the forces of history will not just step aside. In the particular context of late medieval Italy, the capitalist spirit and the doctrine of providence found expression through the alliance of religion and honor. The articulation of the capitalist spirit in the fourteenth and fifteenth centuries in Italy illustrates the versatility of this new outlook in making allies out of former enemies and pointing lingering codes of behavior such as honor into revolutionary new directions for world history.

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