

TITLE: Decomposing income inequality in a backward pre-industrial economy: Old Castile (Spain) in the middle of the eighteenth century

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Abstract: Research on economic inequality in early modern Europe is complicated by the lack of appropriate data for reconstructing income or wealth distributions. This article presents a study of income inequality in mid-eighteenth-century Old Castile (Spain) using the Ensenada Cadastre, a census conducted between 1749 and 1759. The article describes the information provided by this census and then discusses its advantages and disadvantages for reconstructing income profiles and calculating income inequality. This is followed by analysis of a dataset derived from the Cadastre that consists of more than 4,000 observations from Palencia (a province in northern Spain) and contains information on sources of household income, each household head's main occupation, residence location, and other household characteristics. Demographic data from this census is used to weight observations in the sample and thereby minimize selection bias. Findings show that inequality in eighteenth-century Spain was probably substantial despite its relative backwardness; that the relationship between inequality and per capita income was not clear-cut and was probably influenced by measurement of the higher incomes; and that although income inequality was largely driven by uneven land distribution, labour income also contributed to overall inequality—especially in urban centres.

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