



DOI 10.2478/sbe-2018-0044

SBE no. 13(3) 2018

---

## ECONOMIC ORIGINS OF WITCH HUNTING

---

**SHMAKOV Aleksandr**

*Novosibirsk State Technical University, Business Faculty, Russia*

**PETROV Sergey**

*Novosibirsk State Technical University, Business Faculty, Russia*

**Abstract:**

*A number of events taking place in the twenty-first century such as mass arrests of members of the Iran President Mahmud Ahmadinezhad's executive office accused of witchcraft make one doubt that witch hunt trials remained in the far Middle Ages. It is religious motives that are usually considered the main reason for anti-witchcraft hysteria. When analyzing the history of anti-witchcraft campaigns we came to the conclusion that in the majority of cases witchcraft was a planned action aimed at consolidating the state power and acquiring additional sources of revenue. By using economic instruments we tried to reveal some general regularities of witch hunt in various countries as well as conditions for this institution to emerge and for ensuring its stability by the state power. We show that witch hunt was an instrument of implementing institutional transformations aimed to consolidate the political power or to forfeit wealth by the state power.*

**Key words:** *Witch hunting, Institutional change, Transaction costs*

### 1. Introduction

In modern society manipulating people's consciousness by using various means, methods, and technologies of information-psychological action has long become an ordinary and mass phenomenon in everyday life, economic competition and political struggle. Mass media, PR, and political advertizing executing a special order and as a rule camouflaging their target goal suggest certain ideas to people and impel them on the subconscious level to carry out the necessary actions. In fact, they play the role of a peculiar propaganda machine in the modern world. The effectiveness of implementing the state policy is largely determined by its ability and possibility to manipulate mass consciousness. The importance of these abilities grows considerably under conditions of large-scale transformations of culture, society or economics. However, the state power began testing and further developing institutional

transformation mechanisms by influencing mass consciousness long before the appearance of both modern mass media and even modern states per se.

In particular, an analysis of mass processes of accusing people of witchcraft which were wide-spread in Western Europe and America from the end of the fifteenth century to the mid of seventeenth century with the connivance, non-interference, and often with direct participation of the state makes it possible to suppose that already in that period the state intuitively used public consciousness stereotypes to achieve its goal. As an example we can mention the creation of the Spanish Inquisition by Pope Sixtus IV in 1478 and placing it under control of the Spanish Crown. Soon the Inquisition instead of being the defender of morals turned into an instrument of the state aimed to control ideological and political spheres (Vidal-Robert, 2014, pp. 5-6). At the same time a comparative historical analysis reveals that the phenomenon of witch hunting in different countries at different times not only has a pronounced national specific character but also some common regularities (Koning, 2013, pp. 158-9) which are revealed by using instruments of a new economic history but insufficiently studied within the framework of the traditional historical investigation.

During a very long period of time it was traditionally considered that witch hunting was caused only by religious motives based on the fear of destructive activity of adherents of a different faith. In particular, a recognized English anthropologist and historian John Frazer believed that over the whole period of the Middle Ages secret pagan sects that society struggled against did exist (Fraser, 1980). However, as far back as in 1692 Thomas Brattle criticizing the Salem Witchcraft Trials formulated a number of questions very inconvenient to witchcraft persecutors which showed a lack of logic in accusations, weakness of evidence, and the prejudice of justice (Gorelov, 2005). With time it became evident that the main reasons for extermination of heretics were not only and even not so much religious differences. A fear of heresy was only a pretext to carry out the policy of religious persecutions while scientists have been trying to reveal the real reasons up to now (Pavlac, 2006).

Emily Oster in her paper "Witchcraft, Weather and Economic Growth in Europe during the Renaissance" (Oster, 2004) proves convincingly the existence of a stable correlation between the scope of religious persecutions and the deterioration of climatic conditions. E. Oster explains this correlation by an economic recession in major industries (e.g. agriculture, forestry, etc.) in the period of deterioration of temperature conditions. As a result a decline in living standards led to an active search for culprits, which was manifested in the growth of the number of witchcraft trials. And again, fear was the main reason for this but at that time it was a fear of famine and poverty which people associated with ill-intentioned activity of heretics.

A somewhat different version of the above events is proposed by A. Ya. Gurevich, a famous Russian culture expert and medievalist (Gurevich, 1990). In his opinion witchcraft trials along with the emergence of demonology as an ideological basis for witch hunt were a consequence of the collision of two differently directed cultures, namely an elite textual-Biblical culture of the dominating strata of society and a pagan folk culture. Witchcraft trials were used to exterminate a mass medieval

culture. Despite the difference in approaches and explanations the fact that all social strata of society without any exception took great advantage of witch hunt is universally recognized in modern medieval science. The unification of culture was a necessary condition for strengthening positions of the state power which did not refuse entering into a contradictory alliance with church to achieve its goals. Church in its turn used witchcraft trials to strengthen its own positions. In doing so both the temporal power and the spiritual power actually fixed a certain stereotype of behavior in mass consciousness as a guideline providing a quick and efficient way of solving problems faced in the process of interpersonal intercourse – be it punishment to unfaithful wives or the elimination of competitors (Barry, 1996).

Very often witch hunt was caused by a specific purpose of deriving benefit while fear of heresy was only a manifestation of an established stereotype of public consciousness that the state power created and used to guide society actions in the necessary direction and to gain its own benefit.

Therefore we can assume that:

- 1) Fear was not an only motive of witch hunt but perhaps it was not even the main one. Economic interests including longing for gains were of no less importance. We do not exclude the motive of fear from our analysis but we try to take into account the second essential motive, namely that of 'wealth-power'. It is difficult to say which of the incentives is a target goal of economic agents' activity but a close relationship between these incentives makes it possible to combine them. In doing so the terms 'wealth' and 'power' are used in a wide sense: the term 'wealth' implies not only its money form but also possession of resources most valuable for a certain epoch while the term 'power' implies not only political power but other possibilities of compulsion, for example compulsion to labor, sexual abuse, compulsion to pay debts, etc. These motives are the main ones both for the central power to implement institutional transformations and for people to recognize the legitimacy of these institutional transformations.
- 2) Intensification and decay of witch hunting in different countries and at different times was not of a spontaneous and random character. In fact the state power was purposefully creating the witch hunt institution to solve its problems.

Thus the object of the analysis in this paper is mass trials initiated by the state and church against heretics conventionally defined as witch hunt. The subject of the research is the necessary conditions for the witch hunt institution to emerge and for the state power to provide its sustainability. We think it reasonable to apply the instruments of a new economic history to study the conditions and the necessary prerequisites for creating this institution as well as for the state power to implement it. Following J. Hicks we will try 'to find purely economic factors and motives of such events of a clearly noneconomic character as witchcraft trials in the Middle Ages' (Hicks, 2003).

Despite the fact that it is conventional to relate heretics' trials to the Middle Ages as it is at this time that the peak of persecution and suppression based on accusations of witchcraft was observed. Examples of the state power using and guiding mass hysteria aimed at gaining mercenary benefits can be found beyond the

chronological framework of that period (Koning, 2013). Moreover, trials that took place in the transitional period between the Middle Ages and New Times seem to be most evident in terms of understanding their causality. Finally, since the state's activity in organizing religious persecutions in various time periods and in various countries was different, we intentionally expand the chronological frames and do not confine ourselves to selecting and analyzing trials dating back to the Middle Ages to reveal reasons for the witch hunt institution to appear and to explain its sustainability based on the instruments of the institutional theory.

The paper consists of five sections. The first section proposes a theoretical justification of causes and conditions for the witch hunt institution to appear. The second section focuses on historical evidence of the propositions given in the first section. The third section gives a theoretical explanation of the mechanisms used to provide the sustainability of the witch hunt institution. The fourth section focuses on historical evidence of the propositions given in the third section. Some results are given and conclusions are made in the fifth section.

## **2. The necessary conditions of appearance of witch hunting institute**

We doubt a random character of the appearance of the Inquisition as well as the thesis that the main motive of struggle against witchcraft was a religious motive. A number of historical regularities make it possible to suppose that in most cases witch hunt was a planned political action aimed at consolidating the central power and gaining additional sources of income. 'If we try to find one common feature characteristic of all monarchs, we will discover that they all as a rule lacked money. A lack of money urged them to take most desperate measures, for example merciless forfeitures of estate belonging to Jews and Knight Templars' (Hicks, 2003). The persecution of heretics was one of such measures allowing the central power to create prerequisites for confiscating wealth for its benefit.

The tax system at that time was not sufficiently efficient, which resulted in a constant deficit of financial resources. A land tax imposed on peasants (even when it was replaced by a head tax imposed on all people) had a sufficiently narrow tax base and did not allow collecting enough money. The main possibility to expand the tax base was imposing taxes on merchants' wealth by imposing customs duties, taxes on trade, etc. However collection of such taxes is successful only if trade is carried on in a relatively small number of points of collecting taxes, so success depends on the geographic location of a country. One of the causes why the tax system in medieval England was more efficient while incentives to introduce inquisition were much weaker is that trade was mainly carried on in a small number of ports, which made its tax system more efficient. Whereas it was difficult to keep track of the amount of collected taxes in countries of continental Europe with their vast territories and extended fuzzy boundaries (Hicks, 2003). As a result motives to introduce inquisition as a means of the replenishment of the state treasury appeared to be essential.

An only economic category that makes it possible to explain trials against witchcraft is the amount of transaction costs of interaction between the central authority (king or central spiritual authority) and groups of special interests possessing substantial wealth (the temporal and church powers, merchants, etc.). This parameter depends on the alignment of political forces in society determined by the institutional medium according to D. North (Auzan, 2005). Let us give a simple example of the impact of the institutional medium on the amount of transaction costs. It is evident that crediting of the state in the Middle Ages was very risky because firstly, it often appeared insolvent and secondly, it was impossible to forcibly recover the central authority's debts. Because of this loans to the state, an important source of treasury funds, were hardly granted voluntarily at that historical period. However if the central authority acknowledged debts made by its predecessors, the probability of the return of a debt somehow increased and transaction costs of the interaction between the central authority and potential creditors decreased considerably. Thus in England the Constitution of 1689 granted the British monarchy the right of succession necessary for receiving credits (Hicks, 2003), which helped to solve some financial problems of the central authority without resorting to the Inquisition institution. On the other hand, in France, for example, the problem of the replenishment of the state treasury was solved in an original way, namely by selling posts, titles, and ranks as well as by using a system of tax farming. But in the course of time this only aggravated the problem and demanded serious institutional transformations

Depending on the amount of transaction costs the states under study can be divided into two groups:

- 1) States in which transaction costs of the interaction between the central authority and groups of special interests are extremely high. As a rule in such states there is a group of special interests which can be compared with the central state authority in political and financial power or military might. This politically powerful group exerts a strong influence on the central authority by restricting its sources of revenues or by infringing a monopoly right of the central authority to execute legitimate compulsion. Alternative costs of peaceful coexistence with this group become too high for the central power as compared to costs related to the establishment of the witch hunt institution.

Theoretically it is quite possible that heretics were persecuted by politically powerful groups and not by the central authority. However in this case the major factors of spreading witchcraft were high transaction costs and political instability. A weak central power is often not able to establish efficient and sustainable property rights as it cannot abolish privileges of politically powerful groups and reduce the degree of their support of the government. As a result laws meeting the interests of the power elite but not maximizing public well-being were adopted. Among them were the laws leading to a non-productive and inefficient redistribution of wealth, for example a requirement of confiscation during witchcraft trials.

- 2) States in which transaction costs of the interaction between the central authority and groups of special interests are less significant. This situation can occur in

two cases. Either there aren't any significant politically influential groups and if there are some relatively weak groups of special interests, they cannot exert any essential influence on the state authority. These groups have to make every concession with the central authority so transaction costs of the interaction with it are small. Or there are several politically influential groups of special interests whose antagonism does not allow them to unite into a significant political force. By creating competition between these groups and maintaining the balance of forces the central power incurs transaction costs though larger than in the previous case but still quite reasonable.

Incentives similar in character to those described by Ronald Coase for the processes of vertical integration come into action when choosing a form of state administration. There are two alternatives for carrying out transactions between the central authority and groups of special interests: 1) relative independence of groups of special interests, the predominance of contractual relations which are not pure market relations under monarchy conditions but which are their analogues to a certain extent; 2) strong hierarchy and centralized control. A choice between these forms of state administration organization is made based on the amount of transaction costs of the interaction between the central authority and groups of special interests. If transaction costs are lower when the first form is used, the central power allows relative independence of special interests groups. But if they considerably grow, the central power feels a threat or a deficit of means and a need for a transition to a strong centralized control emerges. In this case witch hunt is historically one of the mechanisms of such a transition aimed at weakening (up to complete extermination) politically powerful groups and at creating favorable conditions for corresponding institutional transformations based on fear.

### **3. The historical confirmation**

Let us consider some random historical confirmation of our theoretical arguments by grouping according to the proposed classification a number of countries based on the amount of transaction costs of the interaction between the central authority and groups of special interests which depend on the character of political force alignment. The best examples to illustrate the first group of countries are Spain in the period from eleventh to fifteenth centuries and France in the period from eleventh to thirteenth centuries where one can find groups of special interests as powerful as the central authority.

Since the eleventh century and up to 1479 when a final political unification took place in Spain, there were several independent states on its territory which nevertheless had common culture and practically an identical political structure. Despite the fact that the power formally belonged to the King, it was the Cortes or estate-representative institutions that possessed this power in full. Representatives of nobility had a willful right to change citizenship and were exempted from any state taxes. They also had special privileges granting immunity within their property domain,

they could declare war on the King and even dethrone him. In Aragon there was a post of the supreme judge who was formally appointed by the King but actually he executed control of nobility over the King's power. The King in the presence of the Supreme Judge was obliged to swear to the Cortes to respect all the privileges of the Aragon nobility. So by the end of the fifteenth century after the unification of Spain as a result of a dynastic marriage between Isabel I of Castile and Ferdinand, in order to consolidate their power Spanish kings had to form a union with the Catholic Church by initiating the introduction of the Inquisition in Spain. Very soon the Inquisition formally meant to persecute infidel Jews and Muslims began to persecute Spaniards-Christians under a plausible excuse since the King's political opposition was considered to be Church heresy. In doing so the Inquisition's zeal in persecuting heretics was stimulated by the fact that one third of the convicts' property was confiscated for the benefit of inquisitors. The King received the rest property (Всемирная история в 10 томах, 1977). Two goals were achieved in this way, namely eliminating the opposition and replenishing the treasury. Thus we face the situation when because of high costs of the interaction with feudal nobility the authority chooses the introduction of the Witch Hunt Institution using stereotypes of mass consciousness and encouraging a certain behavior by means of economic incentives in its mercenary interests.

In France of early Middle Ages only a small area Ile de France around Paris was under King's power. King's vassals often surpassed him in wealth and power, and sometimes even refused to take the feudatory oath. As a result the King had serious stimuli to subordinate rebellious regions by using religious institutions among other things. For example, in the eleventh to thirteenth centuries southern France was under the influence of the Cathars who were antagonistic to both Catholicism and the temporal power. The Cathars were widely supported by not only poor people but also by the nobility who wanted to appropriate the Church property and to win independence from the King's power. Raids on Catholic churches and murders of the clergy aroused resentment of the obedience. The murder of a Papal legate in 1208 which happened during his meeting with count Raymond of Toulouse, the principal patron of the the Cathars became a critical event. After this murder the Catholic Church stopped its attempts of peaceful settlement of the conflict and supported by the temporal power triggered harsh measures (Madol, 2000). In 1209, the appeal of Innocent III initiated the Cathar crusade which developed into the 20 Years' War and which resulted in a complete destruction of Southern France.

Thus the appearance of a group of special interests possessing a considerable political force leads to increasing transaction costs of conducting negotiations between the central authority and this group. The central authority in a number of cases is not able to perform its duties without this group support (for example feudal lords in Spain who controlled the country's financial capital and the central authority had to come to terms with them about financing; in the south of France the Cathars sabotaged the governing of the central and ecclesiastical authorities). Here a risk of underfinancing or the weakening of the power appears. Costs of direct hierarchical control in this case

would be considerably lower than costs of negotiating. Motives to bring under control or to eliminate the disliked political force emerge.

We will consider the form of the alignment of political forces when there are several relatively weak groups of social interests or these groups are strong enough but separated and cannot have any strong influence on the central state power on the example of England of the sixteenth to seventeenth centuries and Russia of the fifteenth to sixteenth centuries.

In England of the sixteenth to seventeenth centuries a strong central power which was not challenged either by the ecclesiastic or temporal power controlled the situation safely. Though since the sixteenth century there were several denominations of Christianity such as the Anglican Church (which was established as the state Church at the time of Henry VIII Tudor), the Catholic Church, several kinds of Protestantism (Lutherans, Calvinists, Methodists, Pietists, etc) (Trevelyan, 2001), Witch Hunt did not become widespread because transaction costs of interaction between the central authority and groups of special interests were relatively low and the King's power could easily manage the opposition by itself without persecuting heretics through introducing the Witch Hunt Institution. Punishment for apostasy existed but it was an exclusive privilege of the supreme authority.

In Russia the fifteenth and sixteenth centuries were a period of active centralization of the state power. There were several competing politically powerful groups of special interests. However to win an approval of the monarch these groups were ready to implement his will and transaction costs of negotiations with them were insignificant the balance of forces was maintained. As a result witchcraft trials were not widespread as there was no need to take any cardinal measures aimed at concentrating the state power. It is interesting that to maintain the balance of forces heretical movements were often supported both by the *Tsar* and the Church

The brightest example showing the attitude of the central power to heretics is struggle against the heresy of Yids from the end of the fifteenth to the beginning of the sixteenth centuries. An important feature of the Yid policy was their demand for the Church to refuse its possession of property and to prohibit collecting money for their religious rites. These demands met the interests of the *Tsar* power which desperately needed means and lands to assign them to servicemen. Because of this the Yids were supported by the central power for a long time and were practically inaccessible to the Orthodox Church. However in 1502 as result of struggle for the throne between Basil, the second son of Ivan III and his grandson Dmitry the Yids lost protection as they supported Dmitry and his mother Elena Voloshanka - the party that lost. The latter was also declared a witch (Skrynnikov, 2006). That trial resulted in the execution of the leaders of the heretic movement only. Later the situation when the state supported not orthodox denominations was time and again repeated, for example when the Josephites struggled against the Non-Possessors within the Church. The latter like the Yids opposed the Church estate and initially were supported by the central power. However the Non-Possessors did not support Basil III twice (when princes Shemyachich were arrested in 1523 and when he divorced Solominia Saburova in



1526) and as a result they lost his support and Cassian Patrikeev, the leader of the Non-Possessors was sent into exile to the Josephites monastery where he soon died (Gumilev, 2005, pp.176-8).

Thus the absence of politically powerful groups of special interests capable of influencing the state power (e.g. in England) stimulated decreasing transaction costs of negotiating. The existing groups obeyed direct orders and it was senseless to spend means on centralizing the state power. But if there were several politically powerful groups competing for the central power support (like in Russia), transaction costs of negotiating with them were also relatively small. So the policy of manipulating political groups to maintain the balance of forces appeared to be more efficient than introducing the Witch Hunt Institution.

Analyzing historical conditions for the emergence of the Witch Hunt Institution in various countries it can be noted that the classification of countries into groups of high or low transaction costs is quite relative. Despite the national belonging of a state a need in this institution appears when the state power is insufficiently strong and powerful, and it disappears when absolutism emerges.

#### **4. Ensuring the sustainability of witch hunting institute**

Under conditions of a lack of funds the state authority experiences serious problems in using its main resource, namely the enforcement machinery. Even the acknowledgement of the monarch's rights does not guaranty an absence of strong opposition if, as they think, the state exceeds its authority. And this creates threats of an armed revolt and even dethronement. In such a situation a need in finding funds and consolidating the central power become interrelated problems. To implement institutional transformations aimed at consolidating political power or confiscating wealth, the central power has to create certain prerequisites which justify and legalize its actions as well as allow it to receive support of a wide mass of people. The Witch Hunt Institution is one of the ways of creating such prerequisites.

It should be remembered that the implementation of a consciously designed institution, namely the Witch Hunt Institution, by force implies that it will be introduced by force or a threat of it from the state (Tambovtsev, 2008). To successfully introduce by force an institution new to society, one of the three conditions should be fulfilled: either the state possesses unlimited potential of violence, or the level of obedience of subjects is sufficiently high or the use of the rule is advantageous to a group of subjects powerful enough to introduce this institution. As for the case of a relatively weak state under study the two first conditions are not fulfilled, the third condition is necessary to provide sustainability of the above institution.

- 1) Fear-panic. Caused by witchcraft suspicion and supported by famine and other disasters it prepared the ground for institutional transformations aimed to persecute politically powerful groups and to confiscate wealth. Here we should also mention fear of being accused of witchcraft because of being passive in persecuting heretics.

- 2) Wealth-power. The central power created material incentives for its subjects to persecute suspects of witchcraft through legalizing forfeiture of heretics' property and rewarding persecutors of heretics and shutting their eyes to obvious acts of violence against heretics.

If the motive of fear is well studied by scientists, the wealth-power motive is much less investigated. The matter is that the central power to stimulate the activity of subjects in hunting witches and to legalized confiscations adopts normative and legal acts granting a right to confiscate heretics' property and regulating rules of dividing the property between parties taking part in persecution. Legal norms governing witchcraft persecution existed in almost all medieval countries. However if a large-scale action was not planned by the central power, these norms made no provision for forfeiture of property and the scope of inquisition was significantly less.

### **5. The historical confirmation**

To validate the economic motivation of struggle against witchcraft in the first group of countries (in which transaction costs of interaction of the central power with groups of special interests are prohibitively high) let us analyze the history of creation and administration of legislation in Germany and France.

In France the spread of witchcraft trials began with adopting the edict making provision for forfeiture of heretics' property by Charles III in 1490. The period of 1497-1625 is characterized as a peak of witch hunt. In 1625-82, public unrest and impoverishment led to the decline in struggle against witchcraft. And the adoption of the edict of July 1682 making provision for punishment for witchcraft but not for property forfeiture resulted in the cessation of witch hunt trials. It is clear that a significant impetus for both subjects and the central power to persecute suspects was appropriation of confiscated property and demonology was only an instrument to provide sustainability and legitimacy of income redistribution.

**Table 1. An effect of laws on the number of witchcraft trials in France and Germany**

Year	Act	Rule	Result
1490	The Charles VIII Edict against Foretellers, Sorcerers and Necromancers (France)	Confiscation of property is provided for	A peak of with-hunting (a huge number of victims)
1682	Edict of July 1682 (France)	Punishment for witchcraft is provided for but confiscation of property is revoked	Cessation of witch-hunting
1611	The Duke Maximilian of Bavaria Edict (Germany)	Confiscation of property is provided for	A peak of with-hunting (a huge number of victims)

1630	Edict of September (Germany)	1630	Punishment for witchcraft is provided for but confiscation of property is revoked	Cessation of witch-hunting property is revoked
------	------------------------------	------	---	--

Sources: The Duke Maximilian of Bavaria Edict of 1611; The Charles VIII Edict of 1490; The edict of July 1682; Gorelov, *Бич и молот*.

In Germany the spread of witch hunting continued based on the same regularities. For example, when on the 27 June 1628 a bonus of 2 shillings for every accused witches were introduced in Offenburg, a hysterical campaign against witchcraft was launched. In September 1630, Jesuit father Lamormaini being confessor of Ferdinand II informed him that general animosity caused by his passiveness in illegal witchcraft cases prevented his son's coming to the throne. Ferdinand II prohibited the confiscation of heretics' property and by the summer of 1631 terror declined. In Bavaria witch hunt also started with the adoption of the Duke Maximilian 1622 Act in which it was written 'All who ally with the devil are to be tortured, executed by fire and their property should be confiscated' (Midelfort, 1972). Specific discontinuities in witch hunting also prove the hypothesis of mercenary goals of persecutors. For example on the 7 July 1629 the Austrian authorities who owned a significant part of estate of Offenburg declared their rights of the executed witches' property. The town council did not stop witch hunting until the question of forfeiture was settled and Austria gave up its claim for confiscated property. In September of the same year a disagreement on the severance of confiscated property between the ecclesiastical and temporal authorities arose. Trials were again suspended until the authorities came to a new agreement on the severance of confiscated property.

Witch hunts continued as long as it was beneficial to persecutors. And the more beneficial, the more atrocious, and illegal trials were. In the areas where confiscation of property was forbidden (families of the accused had only to pay law and execution expenses), trials were few and relatively humane. But in areas where forfeiture was allowed, the number of trials increased significantly and one hunter could accuse as many as a thousand victims. The search for accused was greatly simplified (any suspicion was enough to be accused) and torture mechanisms were further developed. An average trial based on confession of guilt continued 15-20 days. 'Everyone who is imprisoned must confess to witchcraft otherwise they will be tortured until they devise anything or slander themselves of witchcraft' (Gorelov, 2005). The opposition was suppressed, charged of witchcraft and burned, which was an additional factor of the sustainability of the Witch Hunt Institution.

The growth of the number of trials and their speeding-up resulted in increasing revenues of persecutors and creating additional stimuli to witch hunting. Johan Linden in his History of Trier described the height of witchcraft trials. He showed that the insanity of the furious crowd, the blood lust, and craving for gain of judges came to such a limit that there was not any person who was not suspected of this crime. Children of the accused were sent to exile, their property was confiscated, and there were practically no plowmen and wine-growers left, which resulted in a crop failure.

Finally though the fire was not satisfied yet but people grew poor and laws which restricted trial expenses and inquisitors' profits and immediately the zeal of persecutors died down (Gorelov, 2005, pp. 67-9).

To analyze witchcraft in the second group of countries (in which transaction costs of the central power interaction with groups of special interests were insignificant) we will study the experience of England and North America.

In England the beginning of struggle against witchcraft coincided with the adoption of the Elizabethan Statute in 1563. It provided for capital punishment for witchcraft but without confiscation of property: 'A widow retains a part of an accused person's property and his, heirs and descendants retain their right to inherit his property' (Witchcraft act 1563) (Table 2). A later 1604 Act of Jacob I also provided for property rights of a wife and heirs of the accused of witchcraft (Witchcraft act 1604). Even in the case of confiscation because of the absence of heirs the Warboys witches (the last decade of the sixteenth century) laid the tradition of spending the property of the accused on preaching against witchcraft, sinfulness, and crime. This tradition was maintained till 1812.

**Table 2. An effect of laws on the number of witchcraft trials in England**

Year	Act	Rule	Result
1563	Witchcraft act 1563 (1563, 5 Eliz. I c. 16)	Property is not confiscated and passes to widows, heirs, and successors.	
1604	Witchcraft act 1604 (1604, 2 Jac. I c. 12)	Property is not confiscated and passes to widows, heirs, and successors.	Witchcraft trials were not widespread and their scope was insignificant.
1736	Witchcraft act 1736 (1736, 9 Geo. II c. 5)	Witchcraft is declared not to be a criminal offence	

Sources: Witchcraft act 1563 (1563, 5 Eliz. I c. 16); Witchcraft act 1604 (1604, 2 Jac. I c. 12); Witchcraft act 1736 (1736, 9 Geo. II c. 5); Gorelov, *Бич и молот*.

As a result, an economic interest in persecuting heretics among the subjects and the scope of witchcraft trials was considerably less in England than in continental Europe. From 1566 to 1685 during 119 years the number of the executed did not exceed 1.000people. The most atrocious tortures used in continental Europe were not spread and torture of sleeplessness, tying hands and legs together as well as a bread and water diet were considered extreme atrocities (as compared to European rack, clutches, and an iron chair heated on the fire). It should be noted that the character of incentives to accuse of witchcraft in essence did not change: in 1620, William Perry in Bilson accused people of witchcraft because he wanted to attract attention to himself; in 1633 Edward Robinson in Pendle-Forst accused people of witchcraft because of his

craving for gain, etc. However the absence of legal property forfeiture and the availability of a strong mechanism of compulsion to follow this norm decreased incentives for potential witch hunters. We should also remember the role of the absence of the central accusatorial body like inquisition, the development of skepticism by the Anglican Church and a weak position of relentless Calvinists.

The largest extermination of witches began in the summer of 1645 when the conflict between the King and the Parliamentarians which launched a civil war led to the weakening of the central power and made it possible for a number of witchcraft trials to occur. The Faversham witches trial was the most famous of them. An opportunity of immoral enrichment emerged. For example, Mathew Hopkins, a famous witch hunter, earned 1,000 pounds during a year only as a fee for denunciation of witches. At the end of the Civil War under Cromwell a political stability was established and mass witch hunting declined. After 1667 there were no executions and after 1700 any person taking a risk to accuse anybody of witchcraft was himself subjected to punishment. Later witchcraft in England stopped being considered a criminal offence after adopting the George II Statute of 1736 (Witchcraft act 1736).

In North America trials against witches were quite rare and were in much less cruel forms. In general 38 people were executed for witchcraft in America. It should be remembered that there the accused were mostly farmers whose families did not have enough money in cash and therefore even custody expenses (which were to be paid by the accused) were too big for them. Besides torture costs necessary to obtain confession were astronomically high. And this is one of the reasons of a small number of trials. Besides, paragraph 46 of Massachusetts Body of Liberties prohibited to inflict inhumane, Barbarous, and cruel punishments (Massachusetts Body of Liberties, 1641).

The Salem witches trial of 1692 became one of the cases that were beyond the scope of this practice. During this trial property was illegally confiscated. The emergence of economic incentives as a result of forfeitures led to other abusive acts such as tortures, pressure on the accused and judges. A negative response in society caused by this trial and undermining of public credit to spectral evidence resulted in an impossibility of accusing for witchcraft and beginning with 1693 witchcraft trials declined.

Thus the sustainability of the witchcraft institution was determined among other things by economic motivation. To guarantee the sustainability of this institution the authorities in countries with high transaction costs of interaction with the competing elite were to provide conditions for legalizing the witchcraft institution based on economic motives, which in the long run contributed to its advancement. On the contrary countries with low transaction costs did not have any need to create the witchcraft institution. That is why its evolutionary import from outside even with its formal legalization but not supported by economic incentives could not result in institutional transformations.

## **6. Conclusions**

It was not prejudices that were the main cause for spreading campaigns against witchcraft but a need to consolidate the central power and search for additional sources of wealth. To pursue the policy of persecuting heretics the central power created incentives among its subjects similar to its own, namely fear and craving for gain (wealth-power). By spreading panic and legalizing forfeiture of heretics' property, the central power made repressions and forfeitures legal thus providing the sustainability of institutional transformations. The scope of witchcraft depends on many factors, the type of social institutions as well as political and economic stability being the major ones. Witchcraft was most widely spread in countries of continental Europe where the central authority held weaker positions and had to resort to drastic measures trying to find additional sources of income and to consolidate the central power. Persecution of heretics was much less spread in countries with a strong central power as well as in countries having access to other considerable sources of income.

In this paper we would not like to extrapolate the past trends to the present and future because it is a sufficiently complex methodological process. However economists, historians, and political scientists can use the revealed trends to explain causes and to make political prognoses in situations similar in outward appearances, for example situations of an artificially created mass panic and subsequent cardinal institutional transformations aimed at redistributing resources and spheres of political influence. Witch hunting as an example of mass hysteria organized by the central authority and politically powerful groups and caused by craving for wealth and consolidating their political positions is not exclusively a phenomenon of the Middle Ages. Similar processes can take place in modern society if the prerequisites presented in the paper are fulfilled. However Ludwig von Mises rightly points out that an analysis of the past does not reveal what course of further action should be chosen. 'A historical report gives only a description of the situation; a response depends on what importance it has for the agent, on goals the subject wants to achieve, and on the means he chooses to achieve them' (Mises, 2009).

## **7. References**

- Auzan, A. A., ed., (2005), *Институциональная экономика (Institutional economics)*, INFRA-M, Moscow, pp. 37-51.
- Barry, J., Hester, M., Roberts, G., ed., (1996), *Witchcraft in early modern Europe: studies in culture and belief*, Cambridge University Press, pp. 51-53.
- Coase, R., (2001), *Природа фирмы (Nature of a firm)*, Moscow, 2001).
- Fraser, J. G., (1980), "'Золотая ветвь": исследование магии и религии' (*'Golden Bough': A study of magic and religion*), available online at [http://www.gumer.info/bogoslov\\_Buks/Relig/Frezer/index.php](http://www.gumer.info/bogoslov_Buks/Relig/Frezer/index.php) (accessed on 9 January 2010).
- Glaeser, E., Shleifer, A., (2002), Legal origins, *The Quarterly Journal of Economics* 117, 4, pp. 1193-1229.

- Gorelov, N., (2005), *Бич и молот. Охота на ведьм в XVI-XVIII веках (Scourge and hammer. Witch hunt in the 16<sup>th</sup>-18<sup>th</sup> centuries)*, Saint-Petersburg, p. 67-69, 482.
- Gumilev, L.N., (2005), *От Руси до России (From Rus to Russia)*, Moscow, pp. 176-178.
- Gurevich, A. Ya., (1990), *Средневековый мир: культура безмолвующего большинства (Medieval world: culture of the silent majority)*, Moscow, p. 374.
- Hicks, J., (2003), *Теория экономической истории (A Theory of economic history)*, Moscow, pp. 18, 110-112, 125-126.
- Koning, N., (2013), Witchcraft beliefs and witch hunts: an interdisciplinary explanation, *Human Nature* 24, 2, pp. 158-181.
- Linden, I., (2005), *История Трира (History of Trier)*, in N. Gorelov, *Бич и молот. Охота на ведьм в XVI-XVIII веках (Scourge and hammer. Witch hunt in the 16<sup>th</sup>-18<sup>th</sup> centuries)*, Saint-Petersburg, pp. 67-69.
- Madol, Zh., (2000) *Альбигойская драма и судьбы Франции (Albigoi drama and the fate of France)*, available online at [http://www.gumer.info/bibliotek\\_Buks/History/madol/03.php](http://www.gumer.info/bibliotek_Buks/History/madol/03.php) (accessed on 10 January 2010).
- Massachusetts Body of Liberties (1641) <https://history.hanover.edu/texts/masslib.html> (accessed on 16 April 2017).
- Midelfort, E., (1972), *Witch hunting in southwestern Germany, 1562–1684*, Stanford.
- Mises, L., (2009), *Теория и история: интерпретация социально-экономической эволюции (Theory and history: interpretation of socio-economic evolution)*, Chelyabinsk, p. 260.
- Oster, E., (2004), 'Witchcraft, weather and economic growth in renaissance Europe', *Journal of Economic Perspectives* 18 (1), pp. 215-228.
- Pavlac, B. A., (2006), Ten general historical theories about the origins and causes of the witch hunts, available online at [http://departments.kings.edu/womens\\_history/witch/worigin.html](http://departments.kings.edu/womens_history/witch/worigin.html) (accessed 12 February 2017).
- Skrynnikov, R.G., (2006), *Иван III (Ivan III)*, Moscow, pp. 255-263.
- Tambovtsev, V.L., Ed., (1996), *Введение в институциональный анализ (Introduction to institutional analysis)*, Moscow.
- Tambovtsev, V.L., (2008), *Теория институциональных изменений (Theories of institutional transformations)*, Moscow, p. 143.
- The Charles VIII Edict against Foretellers, Sorcerers and Necromancers (1490), in E. W. Monter, *Witchcraft in France and Switzerland*, Ithaca.
- The Duke Maximilian of Bavaria Edict (1611), in H. Midelfort, *Which Hunting in Southwestern Germany, 1562 – 1684*, Stanford.
- The edict of July 1682 (France), in B. P. Levack, Ed, *The witchcraft sourcebook* (2015).
- The letter of burgomaster Johannes Junius to his daughter Veronica* (24 July 1628), in N. Gorelov, *Бич и молот. Охота на ведьм в XVI-XVIII веках (Scourge and hammer. Witch hunt in the 16<sup>th</sup>-18<sup>th</sup> centuries)*, Saint-Petersburg, p. 90.
- The letter of Thomas Brattle (Boston 1682), in N. Gorelov, *Бич и молот. Охота на ведьм в XVI-XVIII веках (Scourge and hammer. Witch hunt in the 16<sup>th</sup>-18<sup>th</sup> centuries)* (Saint-Petersburg, 2005), p. 482.
- Trevelyan, G.M., *История Англии от Чосера до королевы Викторнии (History of England from Chaucer to Queen Victoria)*, Smolensk, pp. 111-119.
- Vidal-Robert, J., (2014), Long-run effects of the Spanish Inquisition, available online at [http://www2.warwick.ac.uk/fac/soc/economics/research/centres/cage/manage/publications/192-2014\\_vidal-robert.pdf](http://www2.warwick.ac.uk/fac/soc/economics/research/centres/cage/manage/publications/192-2014_vidal-robert.pdf) (accessed 10 February 2017).

Witchcraft act 1563: an act against conjurations, enchantments and witchcrafts (1563, 5 Eliz. I c. 16), available online at <http://courses.washington.edu/hsteu305/English%20WC%20statutes.PDF> (accessed on 20 February 2017).

Witchcraft act 1604: an act against conjuration, witchcraft and dealing with evil and wicked spirits (1604, 2 Jac. I c. 12), available online at <http://courses.washington.edu/hsteu305/English%20WC%20statutes.PDF> (accessed on 20 February 2017).

Witchcraft act 1736 (1736, 9 Geo. II c. 5), available online at <https://scholar.vt.edu/access/content/user/tmcasey/Portfolio%20Resources/Witchcraft%20Act%201736.pdf> (accessed on 20 February 2017).

*Всемирная история в 10 томах (World history in 10 volumes)*, (1977), vol. 3, Moscow, p. 722.