**A Historical Account of the Spanish Habsburg Empire**

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**Abstract:** In this short essay, I synthesize the rise and fall of the Spanish Habsburg Empire. I argue that much of the Habsburg empire – its characteristics, successes, and downfall – can be explained by understanding *a) why domestic politics were so costly* and *b) how the Crown paid for these costs.*  In the essay, I offer a synthesized historical account of the role that religion and political organization played in shaping the empire.

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As the first truly transatlantic empire, spanning across the world – from Peru to Prague – the Spanish Habsburg empire oversaw some of the most formidable years of early modern history. Much of early modern Europe's imperial legacy of domination begins with the rise and consolidation of the Spanish empire. In fact, the political culture and technologies of the nineteenth century — royal simulacra; the creation of new centers of powers for exploitation; the production and use of censuses, geographical surveys, maps, grammars; and the use of royal paper and ceremonies — often attributed to the “modernizing” British and Dutch empires, were utilized and perfected in the seventeenth century by the Habsburgs.[[1]](#footnote-1)[[2]](#footnote-2) The Spanish Habsburg empire was widely ambitious, similar to its contemporary neighbor, the Ottomans, and looked to recapture the universalistic aura of the Holy Roman Empire.

One can argue the Habsburg rise to power and success was rather improbable. If anything, the empire was – in one word – expensive. The nature of domestic politics at home, characterized by competition from Ottomans to the east and fractionalized and diverse European nobles across Iberia and the Low Countries, required a costly ruling strategy. Much of the Habsburg empire – its characteristics, successes, and downfall – can be explained by understanding *a) why domestic politics were so costly* and *b) how the Crown paid for these costs.* In answering these questions, it is critical to note the role of religion and political organization, both at home and overseas in the New World. Addressing these two questions and the Crown’s imperial strategy gives a clear historical account of the Empire’s rise, its “Golden Age”, and its inevitable downfall.

The remainder of the essay is structured as follows: The first section will discuss the domestic landscape of the Habsburg, addressing why these landscapes were so costly. The second section will discuss the Empire’s reach overseas, and how it paid for costly wars at home.

By the sixteenth century, and especially after 1519, the year Charles V became Holy Roman Emperor and the year Hernan Cortes began the conquest of the Aztec empire, Habsburg Spain was unquestionably the most powerful force in western Europe.[[3]](#footnote-3) The three imperial holdings at home – the Low Countries, parts of Italy, and Portugal – were geographically scattered across Europe and became centers of conflict with other competitors: France, the Ottoman empire, and Netherland revolts, proxied by England. The offensive and defensive posturing across Europe required resources far exceeding the revenue coming into the empire, which resulted in a strategic dilemma and status quo of spiraling deficits and defaulting on debts. In just the year 1574, total expenditure of the Spanish empire was 11,510,170 ducats with only half that – 5,978,535 ducats in total revenue.[[4]](#footnote-4) The very next year, after years of borrowing from merchant-bankers across Europe, the Crown owed 36 million ducats: the equivalent of six- or seven-years’ revenue.[[5]](#footnote-5) Why was the empire in Europe so costly? The answer is partially explained by the Habsburg’s religious strategy and political organization.

Compared to the Ottomans, who utilized a cost-efficient strategy of incorporation, characterized by acceptance and protection of religious difference, the Habsburgs ruled with religious intolerance and Catholic universalism. Under Charles V, and even further under Phillip II, Habsburg Spain was ambitious in creating a transatlantic European empire that was distinctly Catholic, drawing upon legacies of the Holy Roman Empire and antiquity. This was often at the expense of economic growth, as the expulsion of 300,000 non-Catholic polities were driven from Spain during the Inquisition.[[6]](#footnote-6) This became difficult when Protestantism began to flourish across Europe, especially within the Low Countries. Because of the Habsburg’s vision and commitment to a universalistic Catholic world, religious fragmentation in the Low Countries, specifically the Netherlands, was unacceptable, and Phillip II, with messianic vigor, spent enormous sums of resources towards maintaining religious and political order in the region. However, religion was not the only facet. The political organization of western Europe was important in explaining Habsburg rule. The political organization during the centuries of Spanish rule in Europe was characterized as a “composite monarchy”, which Burbank and Cooper describe neatly: “Royal sovereignty was built on layers of dependence – from king to magnates to lesser lords and eventually to soldiers and peasants… royal families made strategic marriages and combined families – not necessarily speaking the same language – and lands – not necessarily contiguous.”[[7]](#footnote-7) This composite monarchical system, creating a web of dynastic and material linkages, was difficult to manage, as fragmented regional elites jockeyed for power and influence across Europe. Combined with religious fragmentation, the Low Countries became extremely costly to maintain, with constant revolts from competing Dutch Protestant families within the Netherlands and Germany. To complicate matters further, Habsburg Spain was in constant threat from the east, as tit-for-tat battles with the Ottomans required a large budget as well. Thus, with costly maintenance of Europe and battles to the east, the Crown needed steady sources of income; for this, they turned west across the Atlantic.

Spanish America, after the conquest of the Aztec and Incan empires, proved to be an essential component of the Spanish empire. In fact, while Spain at home was stricken by war and debt, the Americas were relatively successful and began to flourish after the seventeenth century, providing Europe and the Mediterranean with trade and commerce. From 1500 to 1800, nearly 80 percent of the world’s silver was mined in Spanish America.[[8]](#footnote-8) To the metropolis, Spanish America was necessary for maintaining the empire at home, with its flow of silver and resources into highly monopolized Spanish ports. However, economic exploitation was not the only characteristic of Spanish America, as religion and political organization proved to be influential in shaping the Americas. Catholic homogenization was vital to the strategy of conquest abroad and was more effective in the New World. Political and religious power in the New World was concentrated in urban cities, tying political power directly to the Habsburg Crown. In the viceregal capitals of the New World, the city center (plaza) contained both the royal palace and the cathedral, which physically established the Catholic king’s sovereignty over the colonial dominions.[[9]](#footnote-9) In this way, political power and administration was centralized to Spanish Castilians, directly tied to Catholicism and the Crown. The diverse and fragmented religious and composite monarchical structure of political organization in Europe was juxtaposed by a Catholic centralized, hierarchical system in the New World.

Despite the success in the New World, the constant flow of silver could not sustain the cost of imperial maintenance at home. Mounting debt, the inability to reimburse its army in Europe, and the rise of France and England as domestic powers drastically limited Habsburg influence in the Netherlands. The loss of northern Europe, which supplied Spain’s access to grain, timber, and other commodities, led to rebellions at home in Iberia, and the cracks of Habsburg rule began to give way.[[10]](#footnote-10)

This essay sought to summarize the Habsburg Spanish empire – its characteristics and historical trajectory – by explaining a) *why Habsburg rule in Europe was so expensive* and b) *how the Crown attempted to pay these debts*. Religion and political organization of Habsburg rule both overseas and at home help answer these questions. In Europe, Catholic universalism was unable to consolidate due to Protestant discontent. The composite monarchy system prevented the Crown from centralizing power away from regional elites across Europe, and Ottoman threats in the Mediterranean required constant resources. In the New World, Catholic homogenization was successful, and administrative systems of viceroyalties and audiencias created a centralized system of power tied directly to the Catholic Crown. The extraction of revenues from the Americas were inevitably unable to sustain the cost of maintaining the empire at home.

1. Alejandra B. Osorio, “Of National Boundaries and Imperial Geographies: A New Radical History of the Spanish Habsburg Empire,” *Radical History Review* 130. January 2018, 100. [↑](#footnote-ref-1)
2. To be sure, some of these technologies and strategies were adopted from the Ottoman, Chinese, and Mongol empires. [↑](#footnote-ref-2)
3. Alejandra B. Osorio, “Of National Boundaries and Imperial Geographies: A New Radical History of the Spanish Habsburg Empire,”, 106. & Geoffrey Parker, “Spain, Her Enemies and the Revolt of the Netherlands 1559-1648”, *Past & Present* 49. Nov 1970, 73. [↑](#footnote-ref-3)
4. Geoffrey Parker, “Spain, Her Enemies and the Revolt of the Netherlands 1559-1648”, 86. [↑](#footnote-ref-4)
5. Geoffrey Parker, 86. [↑](#footnote-ref-5)
6. Burbank, Jane and Frederick Cooper. Empires in World History: Power and the Politics of Difference. Princeton University Press. 2011. 121. [↑](#footnote-ref-6)
7. Burbank and Cooper, 120. [↑](#footnote-ref-7)
8. Burbank and Cooper, 124. [↑](#footnote-ref-8)
9. Alejandra B. Osorio, 108. [↑](#footnote-ref-9)
10. Burbank and Cooper, 127. [↑](#footnote-ref-10)