

Wages, prices and the ribbon cycle

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The income of the weavers and the profits of the merchants depended on a cycle that combined the seasons of fashion, the harvests of silk and the conditions of the export markets. In a good year, when fashion favoured ribbons, silk was cheap and the export markets were open, the merchants increased orders, the weavers worked long hours and the villages prospered. In a bad year, when fashion changed, silk was expensive or a major market closed, the merchants reduced orders, the weavers were idle and poverty spread in the villages.¹

The piece rates paid to the weavers were fixed by the merchants, who coordinated their rates informally to avoid competition for weavers in good times and to reduce wages in bad times. Having no organisation to negotiate collectively, the weavers had weak bargaining power. When the rates fell in periods of crisis, the weavers had to work longer to earn the same income. The resulting poverty contributed to emigration from the Basel countryside to America in the nineteenth century, and to the social tensions that marked the history of the region.

The ribbon cycle is an early example of the transmission of global market fluctuations to local labour markets, which globalisation has made a central feature of modern economies. The weavers of the Basel countryside, whose income depended on the fashions of Paris and the tariffs of Washington, were exposed to forces they could neither understand nor influence. The modern welfare state, with its unemployment insurance, social assistance and labour market policies, is in part a response to this exposure. The Swiss unemployment insurance, introduced on a voluntary basis in the early twentieth century and made compulsory in 1976 and 1984, protects workers against the consequences of economic fluctuations that the weavers of the nineteenth century had to bear alone.²

1 Notes

1. On the cyclical fluctuations of the Basel ribbon industry and their effects on the income of the weavers, see the literature on the history of the Basel ribbon industry and the social history of the Basel countryside. To be verified. ↩
2. On the history of Swiss unemployment insurance (voluntary funds from the early twentieth century; compulsory insurance based on the constitutional amendment of 1976 and the Unemployment Insurance Act of 25 June 1982, in force 1984), see the literature on Swiss social insurance. To be verified. ↩

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