The Count-Duke of Olivares, or the beginning of Spain’s decline

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Gaspar de Guzmán y Pimentel Ribera y Velasco de Tobar, historically known as the Count-Duke of Olivares, was born in Rome on 6 January 1587. With such a distinguished name and date of birth, he was destined to be a favourite among kings.

As the third son and member of a lesser branch of the House of Medina Sidonia, he initially embarked on an ecclesiastical career. His grandfather was the Duke of Olivares, and his father was a prominent member of the Spanish diplomacy, who was appointed Viceroy in Naples and Sicily. However, as a result of the premature death of his older brothers, he became the heir apparent of the family’s noble titles, and when his father was appointed to the Court of Philip III as member of the Spanish Council of State and Accountant to the Crown, the young Gaspar accompanied him to Madrid, abandoning his study of theology in Salamanca in 1604. After his father’s death in 1607, he rightfully inherited the title of Count of Olivares, though without being named a Grandee of Spain, one of his great aspirations and one he sought to accomplish, either by his own merit or through marriage.

From the outset, he showed political prowess and with the support of the Duke of Lerma (a favourite of King Philip III), he was appointed chamberlain to Prince Philip, thereby becoming a member of the Court. The practically omnipotent Duke of Lerma, who managed the Kingdom with an iron fist (and did so with an immense personal fortune), appointed friends and relatives to key government positions. Naturally, this practice earned Lerma his share of enemies, some of whom conspired against him, including his son, the Duke of Uceda. This conspiracy, in which the Count of Olivares actively participated, ended with several of Lerma’s collaborators being charged with corruption and executed in Madrid’s Plaza Mayor. In an effort to avoid a similar fate, Lerma persuaded Rome to appoint him Cardinal (according to a popular refrain in Madrid at the time: To avoid being hanged, the biggest thief in Spain now wears red).

Thus, with the good graces he had earned from the winning faction in the Court of Philip III, and his proximity to Prince Philip, who would ascend to the throne in 1621, the Count of Olivares was finally named Grandee of Spain, and in 1622, favourite of King Philip IV.

The reign of Philip IV would not be an easy one, especially with regard to the European territories. The wars in the Netherlands flared up violently, while the Spanish Hapsburgs had to continue lending support to their German relatives in Eastern Europe and as France began to emerge as the dominant power in continental Europe. The financial costs of maintaining the empire had dire repercussions for the Crown of Castile, and the Count-Duke was determined to implement economic reforms that would distribute these costs among the kingdoms under the Spanish monarchy, with Aragon and Portugal as future contributors to the cause.

To that end, he prepared a series of reforms designed to achieve a more centralised government that included the creation of the Union of Arms, a reserve of 140,000 military personnel contributed (and sustained economically) by the kingdom’s constituents in proportion to their populations. These measures were accepted reluctantly, most notably by the Kingdom of Aragon.

This economically precarious situation would persist until the collapse of 1627, in which the Spanish treasury was forced to convert floating and short-term debt to perpetual maturity instruments that only guaranteed payment of the public debt. This was a clear turning point in the history of Spain: at that moment, it became nearly impossible for the Crown to finance its campaigns with capital other than its own.

Military defeats followed in Flanders and Italy. From 1627-1635, many positions—like Breda and
Maastricht—and important territories in Italy were lost. The domestic situation was not much better; in the north of Spain, the Salt Tax Revolt erupted in Biscay (1630), after the Count-Duke attempted to requisition the salt reserves of the Lordship of Biscay, which contravened the chartered privileges of the domain. In Aragon, France’s invasion of part of Roussillon enabled the Count-Duke to deploy the Union of Arms, which led to a mutiny and the secession of the Principality of Catalonia (1640). As a result of the so-called Reapers’ War (Guerra de los Segadores), Pau Clarís declared the independence of Catalonia and its inclusion as a protectorate of the King of France, a situation that was not reversed until 1659 with the signing of the Treaty of the Pyrenees, which established the border at the Pyrenees and ceded Roussillon and Cerdanya. During the Catalan Revolt, the weakened position of the Crown prompted Portugal to declare independence in 1640.

Naturally, so much unrest precipitated Olivares’ fall from grace. He was banished in 1643 and died in 1645. King Philip IV continued to reign for another 20 years, during which time the Spanish Treasury would declare bankruptcy three more times (1647, 1652 and 1662).

During that time, the Spanish infantry were roundly defeated by the French at the Battle of Rocroi (1643), forcing the independence of the United Provinces. Meanwhile, England and France forged an alliance that ultimately pressured Spain to leave the Netherlands permanently in 1657.

Thus began Spain’s unstoppable downward spiral in Europe, a process of decomposition that would continue until the loss, in 1898, of the Empire’s last few territories inherited by Philip IV.