The Rise of Europe in The High Middle Ages:
Reactions to Urban Economic Modernity
1050 - 1300

Dan Yamins
History Club
June 2013
Today:

Strands that are common throughout Europe.

Next time:

Two Case Studies:

Hanseatic League (Northern Europe)

The Italian Maritime Republics (Southern Europe)
Interrelated Themes During an “Age of Great Progress”

**Demographic**: rise of cities and general population increase

**Socio-economic**: Rise of the middle class, burghers and capitalism

**Commercial**: intra-European land trade and European maritime powers

**Legal**: Development of rights charters and challenge to feudal system

**Labor & production**: Rise of guilds and craft specialization.

The time during which Europe “took off” -- switching places with Asia / Middle East in terms of social dynamism.

Development of Western modernity
General population increase

For context:

Population levels of Europe during the Middle Ages can be roughly categorized:

• 150–400 (Late Antiquity): population decline
• 400–1000 (Early Middle Ages): stable at a low level.
• 1000–1250 (High Middle Ages): population boom and expansion.
• 1250–1350 (Late Middle Ages): stable at a high level.
• 1350–1420 (Late Middle Ages): steep decline (Black death)
• 1420–1470 (Late Middle Ages): stable at a low level.
• 1470–onward: slow expansion gaining momentum in the early 16th century.

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Double or tripling of urban population between 1100 and 1200

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Demographics: Town physical size

Cologne’s walled enclosure was extended from 122 to 223 ha in 1106, and with the wall begun in 1180 to 403 ha.

At Bologna the Torresotti walls of the late twelfth century enclosed 100 ha, four times the area of the preceding, fifth-century circuit.

Northampton experienced an almost equal degree of expansion from its tenth-century circuit to one enclosing about 100 ha.

Over the twelfth century Arezzo enlarged its defended area from 17 to 42 ha;

Florence enlarged its threefold to 75 ha; and Pisa’s expanded from 30 to 114 ha after 1162.

Bristol, a vigorous commercial town and regional centre with much maritime trade, grew from practically nothing in the tenth century to an enclosed area of some 64 ha by the late twelfth

Douai, for example, expanded from 6 ha within the tenth-century comital enclosure to 48 ha within the twelfth-century

Bruges grew from 2 ha within the ninth-century castrum, enlarged under comital patronage in the tenth century by the addition of 5 ha for the craft and commercial settlement later known as Oudberg (‘old enclosure’), to 76 ha within the wall which existed by about 1127.

... and numbers

In Germany the number of commercial settlements rose from about ninety in AD 1000, to 140 in 1100 and to 250 by 1200.

In England the comparable totals were about 70, 130 and 230.
Demographics: Distribution
Demographics: From Castrum to Burgus

Many rescued or revitalized old roman towns


Genoa, Florence ... almost everything in Italy, but NOT Venice (which was founded by Christians in 420 AD).

Terms denoting fortification and enclosure, such as *burgus*, *burb* and *civitas* came to be urban names

Often a defended extension to an existing town, and townsmen were known as burgenses.

Commonly situated on important river routes.
Reasons for the Rise of the Town:

1) General population increase

2) Breakdown of central authority (e.g. the Carolingian kingship, the HRE)

3) Developments in Trade.

4) Need for fortifications.

5) Monasteries developed into communities which became towns.

6) The stability engendered by the institutional strengthening of the feudal system; and its economic (agricultural) and legal/military constraints (vassalage).
Commercial Revolution: Military

Military demands did much to stimulate urban industry.

One of the three crafts in tenth-century England, most popular: shieldmaker, who used leather, while the other two were tanning and butchery, occupying places in the same supply chain.

Eleventh-century London had a reputation for its stock of hauberks, made of leather and iron.
Trade development: Transit centers

Some of the largest and most populous cities owed their standing to their handling of a transit trade and to their role as centres for collecting and redistributing goods.

Cologne gained a commanding position in the Rhine trade, served overland routes to the west and north-east, and also came to be an important market for the products of the Meuse valley.

Mainz had similar position.

Rouen controlled the valuable wine trade of the Seine.

Lille appears to have prospered as a market supplying corn from southern Flanders to the expanding towns of the north.

Damme, founded before 1180 as the outport of Bruges, soon came to specialize in handling wine and salt from France.
Trade development: Specialization and crafts

In the twelfth century the specialized craft came to occupy a more distinctive role in urban life than formerly

Linen and woolen textiles from the north
Silks from Constantinople
Linens from Mainz
Flanders: cheese and fish
Meuse valley: brass goods and wine
Zurich: copper
Cloths and tin from Liege and Huy and England

Towards the end of the twelfth century Milan was becoming widely known for its production of armour and Pisa for its export of iron from the ore mined in its territories of Elba and Piombino.

Salt ... allowed certain foods ... to be stockpiled and traded as standard commodities ... was a staple of Lübeck’s trade.
Trade development: North / South Specialization

Cloths specifically from Flanders and Champagne appeared in the Genoese market ... many northern French and Flemish textile towns were known in Genoa by their names, along with cloths from England and Germany.

Market advantage and accumulation of skill, rather than the simple availability of materials, came to be key factors in urban industry.

The weapons and armor produced in Cologne and Milan used iron from Liege, Bergamo and Brescia, not the immediate vicinity.

In the brass-working towns of the Meuse valley, copper and tin were brought in over great distances.
Trade development: North / South Specialization

Merchants from north of the Alps were regular visitors to Italy about 1020, bringing linen and woollen cloths, tin, swords, horses and slaves to the royal palace at Pavia.

Italian merchants also travelled north. They were at Ardres, near Calais, in the late eleventh century “in order to do their business in England”. The trade in woollen and linen textiles was above all responsible for strengthening commercial links between north and south.
Trade development: North / South Specialization

Some of these textiles were supplied to the local market in and around Genoa, but by the 1180s many of them were shipped overseas to substantial markets in Sicily, Constantinople, Syria, Alexandria and the Maghreb.
Trade Faires: A Catalyst of the Commercial Revolution

A system of seasonal fairs developed in Lombardy (Milan) from the tenth century onwards.

Flanders and parts of Germany fairs proliferated and gained regional importance.

Fair cities acquired new streets and marketplaces to accommodate the traders.
The Champagne Faires

Annual cycle of trading fairs held in towns in the Champagne and Brie regions of France

"Veritable nerve centers" serving as a premier market for textiles, leather, fur, and spices.

The fairs linked the cloth-producing cities of the Low Countries with the Italian dyeing and exporting centers, with Genoa in the lead.

From the south came silk, pepper and other spices, drugs, coinage and the new concepts of credit and bookkeeping.

The series of six fairs, each lasting more than six weeks, were spaced through the year's calendar.

To cross the Alps, the caravans made a journey that took more than a month from Genoa to the fair cities.
The Development of Credit and Banking

Urban trade revolved heavily around credit, wine particularly,

In most cases, an importer or nobleman would import wine (on credit)

Then sell it out to wealthy merchants who in turn sold it to local taverns or vendors (again on credit)

These transactions involved more than one middle man .... and several steps of transaction, so credit was the key currency expander.

Credit obtained at the tables ("banche") of Italian money-changers ... loans to nobility, and settling bills of exchange from the last fair.
Guilds

Guilds -- organizations of people in the same industry to control it -- were one of THE central organizing features of European life.

Confraternities of textile workers, masons, carpenters, carvers, glass workers, &c &c, each of whom controlled secrets of traditionally imparted technology ... the "arts" or "mysteries" of their crafts.

The path was: Apprentice --> Journeyman --> Master

Master craftsmen were considered “free” or “independent” if they left their guild ... but that meant they had to go to a city that didn’t have a guild in that craft.
Guilds

Craftsmen were usually in a more privileged position than the peasantry in societal hierarchy.

“Historically, craftsmen tended to concentrate in urban centers and formed guilds” -- pretty much sums the whole thing up.
Guilds

Guilds are important for socio-historic reasons that redound throughout European and world history:

1) their craft-dedication defined and continues to define the European outlook

2) the social order and superstructure of production they created evolved into a regime that deeply impacted thinkers like Marx (among others) and formed the basis against which the social upheavals of later centuries reacted. Basically, their ideal still informs labor relations today.

3) the “closed shop” system they built provided a counterpoint against which e.g. the American ideal could develop.
The Burghers of the Burgs

Wikipedia: Burgher may refer to:

• A citizen of a borough or town, especially one belonging to middle class

• A resident of a burgh

• A Great or Grand Burgher (German Großbürger/ Großbürgerin), historical German title acquired or inherited by persons and family descendants of the ruling class in autonomous German-speaking cities and towns

• In medieval European cities, a social class from which city officials could be drawn; see Medieval bourgeoisie

• More loosely, a member of the urban middle class

the Burghers of Calais (Rodin)

Jakob Fugger von der Lilie Großbürger zu Augsburg
The Burghers of the Burgs

Townsmen and traders came to occupy an increasingly distinct role in the governance of towns.

Throughout the eleventh century, in both north and south, the actions of groups of leading townsmen are increasingly evident.

For example, during the disagreement between Gregory VII (pope) and Henry IV (HRE) in 1080: “In Mainz the burghers supported Henry, whereas their town lord, the archbishop, sided with [his rival nobility]. When he had him anointed and crowned in his episcopal church the burghers rioted and expelled both the rival king and their own lord, just as the burghers of Worms and Cologne had done during the Saxon wars. It seems as if the rising social classes of the town burghers generally tended more to support the traditional royal line than did elements of the nobility.”

“In Amsterdam, wealthy, democratic burghers built a planned city of tree-shaded canals ...”

Early on, the burghers were typically master craftsmen and members of guilds ... (it all ties together).
The Burghers of the Burgs

15th century the group of legally coequal "burghers" started to split into three different groups:

1) grand-burghers

2) ordinary-burghers (German Kleinbürger or simply Bürger, made up largely of artisans, tradesman, small merchants, shopkeepers and others who were obliged according to constitution to acquire the ordinary-burghership) and

3) non-burghers, the latter being merely "inhabitants" of a city or town without specific legal rights and largely consisted of the working class, foreign workers and others who were neither able nor permitted to acquire burghership.

The nebulousness of the original Burgher definition was important: the concept underwent a potent evolution into the Bourgeoisie

--> a social class “characterized by their ownership of capital, and their related culture”;

--> which owns the means of production and whose societal concerns are the value of property and the preservation of capital,
Legal Consequences

In the Holy Roman Empire, a Free Imperial City was a self-ruling city that enjoyed imperial immediacy, and as such, was subordinate only to the emperor, as opposed to a territorial city or town (Landstadt) which was subordinate to a territorial lord.

City rights were a medieval phenomenon in the history of the Low Countries. A liegelord, (like a count or duke), granted a settlement town privileges that settlements without city rights did not have.

A settlement was sometimes only called a “city” when it was granted (or collected) a complete package of city rights at one time of its history.
Legal Consequences

In France, market towns (burgs) with limited privileges were established by local lords. In the late 11th century, "communes", governing assemblies, began to develop in towns. Starting sporadically in the late 10th, and increasingly in the 12th century, many towns and villages were able to gain economic, social or judicial privileges and franchises from their lords (exemptions from tolls and dues, rights to clear land or hold fairs, some judicial or administrative independence, etc.)

Le prévôt des marchands et les échevins de Paris.
Legal Consequences

Town rights were specific, but negotiated on a city-by-city basis. From 1100, was the acquisition, by negotiation or force, of rights by merchants from one city in other cities under different rulers. Granted in the form of charters.

Privileges

- **City walls** (the right to erect a defense wall around an inhabited area)
- Market right (the right to hold a market and receive income from the markets)
- Storage right (the right to store and *exclusively trade* particular goods, often only granted to a few cities)
- Toll right (the right to charge toll)
- Mint right (the right to mint city coinage)

Freedoms

- Personal freedom (citizens had a relative degree of personal freedom in comparison to citizens of rural areas: they were not subject to the liegelord and had freedom of mobility) — Hence the old saying *Stadslucht maakt vrij* (‘City air makes free’).

Governance

- City governance (Well-to-do citizens could sometimes elect local government officials)
- **Judiciary** and law making (Within its boundaries the city could have a large degree of autonomy)
- Taxation (the right to levy taxes)

Concept of “major” emerged as a civil, burgher-level official. Also called “rector” or “podesta”.

The Town Charter of Flensburg (1284)
Legal Consequences

Magdeburg Rights the most important set of medieval city laws

As with most medieval city laws, the rights were primarily targeted at regulating trade to the benefit of the local merchants and artisans, but also:

-- the duties of municipal authorities-
-- the jurisdiction and procedure of courts
-- questions of land ownership within the city
-- the settlement of property disputes
-- the grounds for seizure of movables, and the punishment for various crimes

• Kulm law
• Lübeck law
• Lydford law
• Danzig Law

External merchants coming into the city were not allowed to trade on their own, but instead forced to sell the goods they had brought into the city to local traders, if any wished to buy them.

Jews and Germans were sometimes competitors in those cities. Jews lived under privileges that they carefully negotiated with the king or emperor. (al dhimma)
Legal Consequences

Of special importance were inter-city trading privilege rights.

Between 1155 and 1158 Henry II gave the men of St Omer the right to trade freely and to occupy houses in London -- remaining in force until Edward III banned export.

Succeeded by the men of Cologne, who in 1194 ... established rights at a guildhall there.
Building was one of the dominant characteristics of town life.

Remodelling of townscapes was commonly associated with the imposition of fortifications, and the rebuilding of cathedral and abbey churches. Smiths and smiths’ streets were prominent from the tenth century onwards.

In Paris series of Royal initiatives moved city center from La Greve (river bank, after which “strike” gets in modern French name) to north-western margin of the settlement, where it was much better placed for road traffic.

New technological discoveries allowed the development of the [Gothic architecture](#).
The Urban Environment: Consequences

Rapid and disorderly urban growth generated problems of its own, of which the most serious was fire.

Great Fire of London

St. Eligius Saves the Basilica in Paris from fire

... led by the early thirteenth century to the formulation of sophisticated regulations governing building materials and the use of fire-proof party walls.

...Sanitary problems also generated rules for disposal of rubbish and rainwater.

In the thirteenth century an English queen of a century before was remembered as the founder of a public latrine!
Interrelated Themes During an “Age of Great Progress”

**Demographic**: rise of cities and general population increase

**Socio-economic**: Rise of the middle class, burghers and capitalism

**Commercial**: intra-European land trade and European maritime powers

**Legal**: Development of rights charters and challenge to feudal system

**Labor & production**: Rise of guilds and craft specialization.

The time during which Europe “took off” -- switching places with Asia / Middle East in terms of social dynamism.

Development of Western modernity
Next Time

Two Case Studies:

Hanseatic League (Northern Europe)

The Italian Maritime Republics (Southern Europe)
The Hanseatic League
The Hanseatic League

A group of (mostly) German towns that, over the course of the 12-14th c. banded together into a trading consortium.

Towns that were members basically always were towns with town-rights. (e.g. Madgeburg-style laws)

Individual traders who were members were basically always citizens of the towns and members of one or another guild.

The goal of the league was to obtain comparative advantage for its members in trading arrangements with other towns in the league and at non-member trading posts.
The Hanseatic League

Two towns at the core of the league were Lubeck and Hamburg.
Lübeck

“Queen of the Hanse”

In 1226 Emperor Frederick II elevated the town to the Free City of Lübeck.

Governed by ruling council of twenty members, dominated by merchants. Lübeck politics were dominated by trade interests for next several centuries.

Lübeck became a base for merchants from Saxony and Westphalia trading eastward and northward.

This area was a source of timber, wax, amber, resins, furs, along with rye and wheat brought down on barges from the hinterland.

Lübeck fishing boats had easy access to the herring spawning grounds off the coast of Scania.
Lübeck became a base for merchants from Saxony and Westphalia trading eastward and northward.

This area was a source of timber, wax, amber, resins, furs, along with rye and wheat brought down on barges from the south (inland) areas.

Lübeck fishing boats had easy access to the herring spawning grounds off the coast of Scania.
Hamburg, on the other side of the Jutland peninsula from Lubeck, had easy access to the salt produced in the salt mines at Kiel, and salting and drying of meat and fish made transport and distribution possible.

In 1189, Frederick I "Barbarossa" granted Hamburg the status of an Imperial Free City and tax-free access up the Lower Elbe into the North Sea.

Run by the Burgermeister (the mayor) with a council of burghers. Burgermeister was effectively the head of state, since the HRE didn’t really exert much direct control.

In 1188 Hamburg adopted the Lübeck law.
Fish (via Lubeck, from eastern North Sea) salted with salt (via Hamburg).
Hamburg + Lubeck = Core of League

In 1241, Lübeck, which had access to the Baltic and North Sea fishing grounds, formed an alliance with Hamburg, another trading city, which controlled access to salt-trade routes from Lüneburg.

Cologne joined them in the Diet of 1260

In 1266, a contract between Henry III of England and Hamburg's traders allowed them to establish a hanse in London. The prototype of negotiated foreign trading posts used by the Hansa.

Danzig (Gdansk), whose port was a gateway to the eastern Baltic also joined, as did most of the important Baltic port cities.

It continued for some 300 years. Its network of alliances grew to 170 cities -- from Krakow in the East to Zuiderzee (holland) in the West. Lübeck and Hamburg remained at its core throughout.
Hanseatic Shipping Practices

Hanseatic cargoes were typically salt, herring, grain, timber, honey, amber, ships stores, and other bulk commodities. These were not cargos that made quick fortunes, but they were steady. Hansa held monopoly on them.

Hansa had produced a new and innovative ship design, the Baltic cog.

Before the development of the cog ships in the north of Europe were built in the same design as the viking ships of old-- could handle only limited amounts of cargo. The cog held about 5-10 times as much (10-20 tons instead of at most 2).

Flat bottoms they were well fitted for sailing in shallow waters.

Common practice was to form partnerships and have each merchant buy a share of a cargo or a share of a ship.

Ships rarely sailed alone but usually joined into large convoys for mutual protection. The convoys would sail following the seasonal winds and make the circuit in a year's time.
Hanseatic Land-based practices

Land-based production was very important to the league -- since it joined shipping and inland wares.

River and over-land routes through France and Rhineland were of major importance, both southerly toward the Italian republics and northerly for goods produced by French, Dutch, and Germany towns to flow to collection centers.

The base of operations for a merchant was his “faktorei” -- that is, factory.

Usually a three storied structure containing on the lowest floor the retail outlet where buying and selling took place, on the second floor a warehouse, and on the topmost floor offices and living quarters.

Three-floor factory design.

Foreign trading posts were called Kontoren (“counters”)

London (Steelyard), Ipswich, Bruges, Bergen (Bryggen), and Novgorod (Peterhof)
League Organization

Very little in the way of centralized administration (It had no common seal or charter). However, there was a Hansetag (or Tagfahrt) -- a central meeting held semi-regularly to discuss and come to consensus on important issues.

Member communities from different regions were pooled, first into three parts (or “drittels”), then chose envoys (Ratssendeboten) to represent their local consensus at the Hansetag:

<table>
<thead>
<tr>
<th>Drettel (1356–1554)</th>
<th>Regions</th>
<th>Chief city (Vorort)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wendish-Saxon</td>
<td>Holstein, Saxony, Mecklenburg, Pomerania, Brandenburg</td>
<td>Lübeck</td>
</tr>
<tr>
<td>Westphalian-Prussian</td>
<td>Westphalia, Rhineland, Prussia</td>
<td>Dortmund, later Cologne</td>
</tr>
<tr>
<td>Gothlandian-Livonian-Swedish</td>
<td>Gothland, Livonia, Sweden</td>
<td>Visby, later Rīga</td>
</tr>
</tbody>
</table>

...then later into quarters:

<table>
<thead>
<tr>
<th>Quartier (since 1554)</th>
<th>Chief city (Vorort)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wendish and Pomeranian</td>
<td>Lübeck[27]</td>
</tr>
<tr>
<td>Saxon, Thuringian and Brandenburg</td>
<td>Brunswick,[27] Magdeburg[citation needed]</td>
</tr>
<tr>
<td>Prussia, Livonia and Sweden—or East Baltic[28]:120</td>
<td>Danzig (now Gdańsk)[27]</td>
</tr>
<tr>
<td>Rhine, Westphalia and Netherlands</td>
<td>Cologne[27]</td>
</tr>
</tbody>
</table>
Hanseatic Political involvement

Mostly a trade organization without strong political structures, but a notable exception was the war with Denmark in 1362.

Began in 1361, when Danish king Valdemar Atterdag conquered Scania, Öland, and Gotland with the major Hanseatic town Visby.

A Hanseatic counterstrike was repelled by the Danish fleet at Helsingborg -- leading the unsuccessful (for the hansa) end of the first Danish-Hanseatic war.

Unwilling to accept the results, the Hanseatic League, which used to be a trade league rather than a political union, raised a fleet by constituting the Confederation of Cologne in 1367, a de-facto military wing of the Hansa.

In the following battles, Valdemar was utterly defeated.

1) The freedom of Visby was reestablished.
2) Denmark had to assure the Hanseatic League of free trade in the entire Baltic Sea.
3) Hanseatic League given a monopoly on the Baltic fish trade.
4) The league also gained the right to veto against Danish throne candidates.

Treaty of Stralsund (1370)

Negotiated by the burgomaster Jakob Pleskow of Lübeck
Hanseatic Decline

The Hansa begin to decline in the 15th c.

Several external causes:

The North European countries were on their way to become national states, trying to raise and protect a competitive trade of their own.

The North German princes exerted increasing pressure on the Hanseatic towns, causing some of these cities to loose their independence by the 15th century.

Growing competition of the English and Dutch -- and Danish/Swedish -- trade. Hansa couldn’t go to war with everyone over trade routes, and the Atlantic-facing seafarers were better.

Also some internal factors: control from Hansa was not ultimately in the best interests of all the individual towns:

Clashes of interest between coastal and inland towns, as coastal towns tended to take over the more profitable trade on the North and Baltic Sea, pushing down the inland towns to mere suppliers.

Also, e.g.: Cologne merchants in England left the Hanseatic line in 1460s, as England was the most important trading partner for Cologne ... when Cologne objected to the the taxes imposed by the Hansa diet as too high, and thought they could strike out on their own

In many ways, were victims of their own success, as others started emulating their practices.
Southern Europe: Italian Maritime Republics

A number of city-states which flourished in Italy and Dalmatia (present day Croatia) in the Middle Ages.

Typically, called “comune”, e.g. “comune di Venezia”.
Southern Europe: Italian Maritime Republics

Lack of safety on the mainland trading routes, made possible the development of major commercial routes along the coast of the Mediterranean.

Growing independence acquired by some coastal cities gave them a leading role in the European scene.

On the institutional level, the cities formed from autonomous Republican governments, an expression of the merchant class, which constituted the backbone of their power.

History of the maritime republics intertwines both with the launch of European expansion to the East, and with the origins of modern capitalism as a mercantile and financial system.

Two main players: Genoa and Venice.
MAIN MEDITERRANEAN AND BLACK SEA ROUTES IN MEDIEVAL TIMES

ATLANTIC OCEAN

SCALE

0 100 200 Miles

0 100 200 Kms

--- MAIN GENOAN ROUTES ---

--- MAIN VENETIAN ROUTES ---

--- MAIN CONNECTING ROUTES ---

EGYPT
Before 1100, Genoa emerged as an independent city-state, one of a number of Italian city-states during this period. Nominally, the Holy Roman Emperor was overlord and the Bishop of Genoa was president; however, actual power wielded by "consuls" annually elected by popular assembly (don’t know how many).

Genoa started expanding during the First Crusade.

The apex of Genoese fortune came in the 13th century with the conclusion of the Treaty of Nymphaeum (1261) -- defeat of the Venetians.
Genoa (Genova -- “genovese”)
Genoa (Genova -- “genovese”)

The Genoese fortress in Sudak, Ukraine.

Galata Tower (1348) in Galata, Istanbul.
Genoa (Genova -- “genovese”)

Genovese bankers were the financiers of the Spanish empire.

The Genoese bankers provided the unwieldy Habsburg system with fluid credit and a dependably regular income. In return the less dependable shipments of American silver were rapidly transferred from Seville to Genoa, to pay forward for further ventures.

Company of Saint George (Italian: Banco or Ufficio di San Giorgio) was a financial institution of the Republic of Genoa. Founded in 1407. ... One of the oldest chartered banks in Europe, and maybe the world.

Banco di San Giorgio

Many of Genoa's overseas territories were governed either directly or indirectly by the Bank.
Venice

Having started sometime during the 5thc, from the 9th to the 12th century, Venice developed into a city state. The early phase of “feudalization” together with the acquisition of wide real estates, brought huge amounts of capital to certain families.

These families used their wealth to conquered dalmatian pirates, who resisted until 1000. Opening up trade routes.

In compensation for military aid against the Arabs of southern Italy, Byzantine emperor Basil II reduced the tax for Venetian ships trading at Constantinople by half.

A treaty with Charles the Fat, HRE, had opened northern European territories.

In addition Venetians started trade with Tunisia and Alexandria in Egypt where they delivered wood, weapons, metal and slaves.
Venice

City became a flourishing trade center between Western Europe and the rest of the world (especially the Byzantine Empire and the Islamic world).

By contracting transport and financing for the 4th crusade (1204), Venice became a major power-broker in the Near East and established trading hold in the “Latin Empire”.

Acquired control of most of the islands in the Aegean, including Cyprus and Crete.

Venice remained closely associated with Constantinople, granted trading privileges in the Eastern Roman Empire.

Venice mounted many trading voyages. Idea was to exchange them from alum, silk, other commodities available only the in East. Enter one port with low prices for one commodity and then move to another port with higher prices for that same commodity.

Later on, after the fall of the Byzantine empire, ships travelled often in convoys.

Notice that the Venetians didn’t make anything themselves -- they neither “sowed nor did the reap”.

Sunday, October 12, 14
Venetian fort in Nafplion, Greece
Venetian Governmental Structure

Ruled by a Doge, who shared power with a council composed of 480 members taken from patrician families,

1032, marks the end of a de facto hereditary Dogeship, and become elected (for life).

In the 12th century, the aristocratic families of Rialto further diminished the Doge's powers by establishing the *Minor Council* (1175), composed of six advisers of the Doge, and the *Quarantia* (1179) as a supreme tribunal.

Venice claimed to be a "Republic", but actually it was a mixed government model, combining monarchy in the Doge, aristocracy in the senate, and a "democracy" of Rialto families in the Major Council.

Inspiration for later political theorists
Venetian Financial Innovations

1. Companies

The kinds of merchant voyages undertaken were very risky and needed capital. To fund them, Venetian merchants organized new corporate innovations. The typical form of company was the so-called Colleganza.

A silent partner (the “stans”) introduced about three quarters of the capital investment. The active partner (the “tractans”), who actually conducted the trade, introduced the rest.

Aims, responsibility assignment and shares were fixed before the journey being started, but the active partner could also reinvest his gains during the same journey. This way the risks were spread, and the opportunities to accumulate capital increased.

The Colleganze were the direct precursor of the great joint stock companies of a later period.

At the beginning, lots of new untested unconnected people took on the role of the tractans; allowed for many rags-to-riches stories. Later, close relationships and dependencies were developed and as a consequence family partnerships were largely preferred.

2. Accounting

Double-entry bookkeeping was developed: first described in 1464 by Fra Luca Pacioli, but supposedly used for a century or more before, based on idea that all transactions are dual. There’s a credit and debit side to a ledger at all times, and they need to be kept separate and balanced at the end up a regular period (day, usually).

Double-entry bookkeeping lead to adoption of Arabic numerals in Venice.

3. Credit and banking.

The idea of extending credit in the form of guaranteed loans -- backed by a state-regulated capital requirement -- become current in Venice by the end of the 12th c.
Venetian Financial Innovations

Probably the Merchant of Venice refers to a the colleganza (in which Shylock is the “stans”) that is about to fail ...
Venetian Decline

In the early 14th century, Venice was one of the richest cities in Europe.

At first, involvement in all the innovations that made Venice great were fairly equitable, e.g. you didn’t have to be an elite to become the tractans in a Colleganza.

But in late 14th c, things began to change. Change was so striking a change that the Venetians gave it a name: La Serrata, or the closure.

Started as political control, in which no new families could enter the Major Council.

But it become commercial, as opportunities become increasingly limited for new entrants. By 1310, colleganza contracts -- which benefited new merchants - were banned.

A further development came in 1314 when the Venetian state began to take over and nationalize trade

Long-distance trade became the preserve of the nobility. This was the beginning of the end of Venetian prosperity

La Serrata was the beginning of the end for them, and for Venetian prosperity more generally. By 1500, Venice’s population was smaller than it had been in 1330
Overall Comparison of North Vs South:

Key similarities:

Strong link between town (civitas), politics (town rights), merchant (bourgeois) power, and banking.

Laid groundwork for capitalism and modern European (post-feudal) society.

Went into decline for a variety of reasons in 1400s.

Differences:

Italians were not as unified, and spent more effort warring -- but were more dynamic.

Italian cities didn’t “make anything themselves” but mostly just traded.

Italian independence lasted much longer (until 19th c).