

The European World Economy and the Entrepôt of Antwerp

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1. The Medieval World Trade and the European World Economy

It has generally been thought that two trade worlds were fundamentally separated in the Middle Ages; one concerns the long-distant trade carried by large merchants (the goods exchanged were the luxury goods such as quality woollen cloth, silks or spices, etc.) and the other the local and regional trade around towns and weekly markets carried by small dealers and peasants (they sold and bought the basic commodities such as foods and daily cloths). In other words, there were “the medieval world market” called by F. Rörig and the weekly markets dealt by the ordinary people. Merchants did not fundamentally deal in the necessity goods in the long-distant trade except only a small number of goods such as salt and iron and so forth. In its volume, goods exchanged and methods, a huge gulf separated international wholesale trade (long-distant trade) from retail trade (purely local trade).¹

The medieval trade had two remarkably different commercial and trader’s classes, one concerns the traditional long-distant trade lead by large merchants, and the other many local and regional trades in which most people involve in the ordinary their lives, i.e., small scale daily transactions.

Large-scale trade was closely associated with two trade areas in the Middle Ages: the Mediterranean in which the city-states such as Venice and Genoa held an overwhelmingly position, and the sea trade of northern Europe, dominated by the Hanseatic League (The Hanse had four major kontor-staples at Novgorod (Russia), Bergen (Noway), London and Bruges. The Mediterranean sea was the main route of the spice trade from Asia to Europe through Levant, except the trade route via the Black Sea and Hungary. The north trade concerned largely rather necessities than luxuries. The Hanse had four major kontor-staple at Novgorod, Bergen, London and Bruges. In the meantime, merchants were gradually beginning to engage in the necessity goods also in the Mediterranean trade, for example, grain from the late Middle Ages onwards.

The sixteenth European world economy means a “world-economy”, which has a degree of economic unity, in other words, a linkage over the Western, Southern and

¹ Braudel (1979), III, 78-82.

Central and East Europe except Russia, before its unity was soon collapsing under the pressure of formation of national economies in relatively strong nation-states, in particular in the Netherlands, England and France. This "world economy" is not consolidated economically in the strict sense, but is a loosely economically integrated entity.²

In the course of the centuries, Europe had some major trade centres as core of economic activities, Bruges and Venice in the fourteenth century, Antwerp in the sixteenth century, Amsterdam in the seventeenth century, and London in the eighteenth and nineteenth centuries. Amsterdam was developing as the core of the European world economy towards the late sixteenth century, said I. Wallerstein.³

I think that each of their commercial centres such as Bruges, Antwerp and Amsterdam had its own particularly political and economic structure, which was wholly regulated by each historical conjunctures.

II. The Mini-World Economies Before the Modern European World Economy

In the Middle Ages we know the two traditional commercial areas: the Mediterranean Seas and the Northern Europe. The Mediterranean trade had been centred on the Italian city-states and the Flanders-Hanseatic commercial network expanded over North Western Europe. But, during the course of the fifteenth century, new economic lives had been starting in the midst of the serious political and economic depressions of Europe.⁴

The first, trade connections began between the Islands off the Africa, i.e., the Canaries, Madeira and the Azores, and the Southern Netherlands via Lisbon. In fact, the Portuguese trade with West Africa and the Atlantic Islands had developed, depended upon sugar and African pepper (malaguetta) from the middle of the fifteenth century. The Portuguese sold these commodities in the market of Flanders, particularly in Bruges, and acquired there the various textiles, copper and silver of Europe. Thus, before the discoveries of Columbus and Vasco da Gama, new trade relationships had little by little been developed that were soon to announce the dramatic transformation of the world economy.⁵

The second, the rise of the mining such as copper silver in the South Germany and Hungary was gradually beginning to search outlets to the West, that is to say, to the Southern Netherlands in place of the Italian cities.⁶

The third great change was the transformation of England from material production of wool to the industrial nation in which she herself could also manufacture the woollen and worsted.⁷ In addition, the new stimulus came largely from the expansion of German

2 Wallerstein (1974).

3 Wallerstein (1974), 215f.

4 Postan (1939).

5 Mus (1964); Nakazawa (1982).

6 Van Houtte (1940); Van der Wee (1963); do., (1981).

7 In 1421, Merchant Adventurers of London set up residence in Antwerp to exploit the Brabant fairs as their principal outlet for English cloth exports. Munro (1973); do., (1994); Davis (1973); do., (1976); Van Houtte (1940).

trans-continental trade, in which the English woollen cloths into the Central Germany played an increasing role.

The transit trade between London and Frankfurt on the Main via Antwerp expanded strongly from approximately the middle of the fifteenth century onwards. In particular, commercial contacts between Cologne and Antwerp became very close.⁸ This rise of continental trade did gradually convert the Brabant fairs held at Antwerp and Bergen-op-Zoom from a regional market into a truly international entrepôt.⁹ It is very important that, apart from these commercial and economic trends in the Continent above mentioned, the trade maritime connection had been developed between the market of Bruges and Portugal, which consisted in the tropical goods such as sugar from the South, and the industrial goods such as copper and woollen cloth from the North.¹⁰

III. European Trade Network and Antwerp as the Commercial Metropole

The long depression of the late medieval Europe ended approximately 1460. In the sixteenth century, population growth was generalized, and rapid. In many parts of Europe, population began to increase until about 1620. Antwerp's population expanded from 20,000 about 1440, to 50,000 about 1500, to 100,000 about 1560.¹¹

A remarkable expansion of industrial production paralleled the growth in population. The production of copper, silver extracted from mines grew rapidly. New enterprises appeared in economic affairs. Printing of books, for example, soared in the sixteenth century, and its development stimulated papermaking.¹²

The process of growth in textile manufacture was complex. The pre-eminence of Northern Italy in the production of woollen in the fourteenth century was declining. The traditional woollen industry of the Southern Netherlands, centred at the towns such as Ypres, Ghent and Bruges, was also in decline in the later Middle Ages. England, which in the fourteenth century had exported raw wool to the developed countries, Italy and Southern Netherlands, gradually superseded Italy and the Netherlands to become chief producer of woollens.¹³

Thus, the European world economy has developed in the early modern times, but what is the world economy? The world economy means that the most parts of Europe were loosely or intimately connected by various economic activities. The unity of European economy was not consolidated equally. It is remarkable that transcontinental routes, by water and by land, were running across the national boundaries, even if they were not imagined by the contemporary people, throughout the continental Europe. These new

8 Van Houtte (1940); Gramulla (1972); Schnurmann (1991).

9 Van der Wee (1963), II, 119ff.; Van Houtte (1940).

10 Van Houtte et Stols (1973); Phillips (1990), 47ff.

11 De Roy, (1976); Van der Wee (1963), II, 227.

12 Brulez (1976); Lauwaert (1976).

13 Nicholas (1992), 378-80.

overland trade from Antwerp to the south via Cologne brought Rhenish merchants with South Germans, who dominated the trans-Alpine trade with Venice and Ancôna. These trade routes constitute a wide-ranged commercial network, which had some first rank trading centres, such as Lyon, Seville, Amsterdam, London, Cologne, Venice, Cracow, and secondary rank trading trading centres such as Bruges, Danzig, Leghorn, Marseilles as head-quarters of merchant's trading activities.¹⁴

And, a whole network of maritime activities from the Far East through Lisbon and from the New World through Seville to Riga (Russia) and Bergen (Norway) was coming to centre in the Low Countries, in particular at the market of Antwerp. Antwerp was the key market among these centres and towered above a wide-ranged commercial network woven by the first rank trading centres and secondary commercial centres. This trade network was closely connected by land routes and water routes. In that sense, I think that the market of Antwerp was the core of a developing world economy even during the short period.¹⁵

1. Antwerp as the Commercial Metropolis of Europe

Antwerp emerged as the most important commercial entrepôt, that is to say, the metropolis of Europe between approximately 1490 and 1520; Antwerp sustained that position until war and religious disorder brought to an end in the 1570s and 1580s. It was thought that the crucial beginnings of Antwerp's brilliant destiny result from the arrival at the Scheldt estuary of the Portuguese spices around the Cape Horn in 1501. But recent researches show that the rise of Antwerp as a great entrepôt of developing European world economy should be the result of the great transformation of the European economic history from the middle of the fifteenth century. This great swing is called "The long sixteenth century" by the French Annales historical school.¹⁶

The prosperity of the market of Antwerp was the result of combination of great trans-continental and maritime expansions of the European economy from the late fifteenth century to the end of the third of the sixteenth century. The driving force in Antwerp's development in the first half of the century was the combination of the south Germans, trading in metals such as copper and silver, the English Merchant Adventurers in woollen cloth, the Italians in luxury goods such as silks and spices and the Portuguese in African and Asian spices. In 1501, the Portuguese Crown established their official factory in which they sold Asian spice at Antwerp. They sought also the two important commodities to be exchanged for spices: South German silver and copper. Thus, Asian spice trade and South German silver and copper trade were strongly combined on the area of Antwerp world market. J. Van Houtte, excellent Belgian economic historian, asserted that the Portuguese, the high Germans and the English constituted the three pillars of world

14 Brulez (1962); Ball (1977).

15 Nakazawa (1982).

16 Wallerstein (1974), 67ff.; Braudel (1966), I, 383ff.

commerce of Antwerp.¹⁷ Foreign merchants were organized in colonies at Antwerp. By 1498, the king of Portugal's factor set up there to conduct in the north sales of spices, and the English merchants had organized their colony. Some Italian cities such as Florence, Lucca settled there in their own colonies.¹⁸

It was from Antwerp that Flemish cloths and cloths from England were exported; while wool exports diminished in the sixteenth century dramatically, their cloth export to the continent grew vigorously in the same period. These exports were sent to Germany through Cologne and Frankfurt on the Main, and hence to Poland, to Italy through the Alpes, some reached to Levant through the Mediterranean Sea.¹⁹ And it should be stressed that most these cloths from England were dyed and finished in Brabant, in particular in the town of Antwerp, so that the value of English exports from Antwerp includes this transformation, is much too high. In that sense, cloth trade from London to Antwerp means not only transit trade, but also inter-regional, or international division of labour, that is indispensable to English cloth industry.²⁰ Thus, Antwerp was a hyper-market for international buying and selling in the sixteenth century Europe.

2. Some Trading Centres

Seville

Seville was one of the most important trading centres, in particular with its sole access to the New World except the Portuguese Brazil in the sixteenth century. Seville acquired trade monopoly between the Indies trade by a royal decree of 1503 of Spain. But, the port city had passive role in the commercial activities of Europe.²¹

London

London's economic development in England was part of a wider European phenomenon; the distinguished rise of Antwerp to the position of commercial Metropolis of Europe. For the English economy it meant the creation of a London-Antwerp axis. The goods imported to England through London were the products of many parts of the world: the spices of the Far East, the luxury textiles such as velvet and damask, and the glass of Italy, the canvas of the northern France, the sugar of Barbary, the tapestry of the Netherlands, a various kinds of haberdasheries and so forth. It should assume that the overwhelming proportion of these wares had been procured on the Antwerp market. And the goods exported to Antwerp consisted principally in the woollen and warsted cloths as stated above. 66% of the exports of cloths through London covering five months from late April 1565 was Antwerp (the second was 5.8% of Danzig, the third 5.1% of Hamburg, and so forth).²²

17 Van Houtte (1961), 157.

18 Ball (1977), 32-33; see note 7.

19 Brulez (1962).

20 Van der Wee (1963), II, 181.

21 Ball (1977), 98ff.

22 Dietz (1987).

Amsterdam

During the first half of the sixteenth century Amsterdam continued to evolve as the trade centre of a growing commerce in grain, timber and metals with the Baltic. But, Amsterdam had yet to become a general mart like Antwerp or Hamburg in the sixteenth century. The city had no direct sea-borne trade with Mediterranean or with transoceanic lands. Its industrial development was also steady. Amsterdam emerged in the last fifteen years of the sixteenth century to enter upon the world economy.²³

Bruges

Recent studies show that Bruges was, though secondary, one of the commercial centres even in the sixteenth century. In 1569, Alva's levying a 1 per cent tax on property, Antwerp gave a return of 160,500 florins, and Bruges 36,400, this being 23 per cent of Antwerp figure.²⁴

Lyons

Lyons evolved from the end of the fifteenth century into a commercial and financial centre on the international level, based on textile trade, in particularly due to the predominance of luxury Italian silks.²⁵

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23 Ball (1977); Barbour (1966), 14-15.

24 Van Houtte (1984), 81-2.

25 Ball (1977); Gascon (1971).

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