Globalisation and city networks
in late medieval and early modern Europe

Raf Verbruggen
(R.Verbruggen@lboro.ac.uk)

PhD-Candidate, Department of Geography, Loughborough University, Loughborough,
Leicestershire, LE11 3TU, United Kingdom

Abstract

Geographers and social scientists investigating present-day economic globalisation have shown that cities are nodes in global networks which transcend the national level. Such networks nowadays are especially generated by advanced producer service firms (banks, insurance companies, accountancy firms etc.) producing intra-firm flows of information, knowledge and capital between their different offices. Consequently, the study of the spatial organisation of these multi-locational firms allows to measure the connectivity of cities in the network (Taylor, 2004). But are such transnational city networks limited to our contemporary society? My research investigates the existence of a transnational city network generated by the activities of business organisations in late medieval and early modern Europe. In this geo-historical period, state structures were still weak, and cities were able to be engaged in relations with other cities without being contained within the framework of the territorial state. In the past, the study of such large-scale, transnational city networks has mostly been neglected by historians. This research attempts to fill this gap through the application of the concepts developed by geographers and social scientists investigating current world city networks in a historical context. This allows us to question whether globalisation and the so-called network society are as new as often conceived in the literature. More concretely, data on the spatial organisation of a large number of late medieval and early modern trade firms and merchant nations will be presented. Through the aggregation of these data, the structure and dynamics of the city network can be investigated.
Introduction

The PhD-research presented below investigates transnational city networks as a specific aspect of globalisation, not in our own times, but in the late Middle Ages and the Early Modern Period. The paper will focus on methodology, and not on results yet, because I am currently still in the phase of conducting fieldwork, focusing upon the cities of the Low Countries.

By way of introduction, the paper will shortly look at present–day globalisation and the contemporary world city network, as I believe this is helpful to understand the research project outlined in the remainder of the paper. The main part will focus upon the investigation of transnational flows between cities in late medieval and early modern Europe. Special attention will be paid to the role and the strategies of trade firms in the generation of these transnational flows, and the spatial organisations of some of these trade firms will be discussed by way of illustration.

The world city network in the 21st century

The term globalisation is often used as a container for a large variety of related processes, ranging from the idea of the world becoming a global village to the disappearance of national states and the growing importance of supra-national political bodies. In what follows, I will use globalisation in the meaning of ‘the existence of long-distance economic relations between cities across the world’. These flows between global cities result in what can be called a world city network. According to Saskia Sassen (2001), the motors of this economic globalisation are advanced producer service firms: banks, insurance companies, advertising firms, etc. They are of crucial importance for the creation of flows between global cities.

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1 A more theoretical and conceptual background of my research can be found in Verbruggen, 2007. For a general theoretical discussion of city networks, see Taylor et al., 2008.
Research on global cities has been characterised by a lack of empirical studies on the global flows between these cities (Taylor, 1997). The Globalisation and World Cities research network (GaWC, http://www.lboro.ac.uk/gawc), situated in the Department of Geography of Loughborough University, has contributed largely to the empirical study of the world city network. Among other things, a method has been developed to measure the connectivity of cities in the network, based upon the presupposition that flows between cities are generated through intra-firm flows between the different offices of advanced producer service firms (Taylor, 2004).


The example of the globally operating banking firm ING will elucidate GaWC’s measurement method (fig. 1). Offices of ING can be found in a large number of cities around the world, especially in the core of the present-day world-economy (Northern America, Western Europe, Pacific Asia). The different offices of ING are linked through flows: flows of information,
flows of capital, etcetera. The more important the office (e.g. headquarters, regional headquarters), the more important and the more global the flows. Consequently, ING links different cities with each other through its intra-firm flows. Some cities will be more strongly linked, others less, and in still other cities ING will even not be represented. Similarly, other advanced producer service firms will generate flows between cities as well. Through the aggregation of the flows generated by a large number of firms, the configuration of the world city network can be measured.

Trade firms and city networks in late medieval and early modern Europe

For a better and more historically grounded understanding of globalisation, it is worthwhile to go back to the past in search for a kind of historical “globalisation”, and to draw comparisons with the present. In this paper, a transnational city network will be investigated for late medieval Europe\(^2\). In the late Middle Ages however, “globalisation” was clearly not global, but limited to a small world-economy. Besides, Europe was not at all the most developed region of the world at that time.

Nevertheless, in late medieval Europe a specific and very interesting relation existed between cities and states. While cities became prominent in Europe during the long 12\(^{\text{th}}\) century, modern states developed much later (Braudel, 1984, 92-96). Pre-modern states, such as medieval principalities, were characterised by very fragmented territories. The result was that medieval sovereigns were not able to pursue mercantilist policies in order to create national economies: fragmentation of territories hindered the organisation of customs or the protection of the economy from foreign influences. As a result, commercial elites in the vibrant late medieval cities were able to engage in strong transnational relations with elites in other cities. As a consequence, one can hypothesise that in the late Middle Ages and the beginning of the Modern Times (ca. 1250 – ca. 1650) a European city network existed that was more integrated than in the following Modern Period. Only through the weakening of national economies at the end of the 20\(^{\text{th}}\) century this network would become more prominent again.

\(^2\) Recently, historians are increasingly paying attention to the investigation of transnational city networks in late medieval and early modern Europe. See for example Harreld, 2004 and Lesger, 2006.
The motors of late medieval and early modern globalisation were beyond doubt commercial agents such as trade and banking firms. Since the trade revolution of the 13th century, strong long-distance trade relations developed between what can be called medieval world cities. Late medieval and early modern trade firms were the principal agents generating economic flows between cities, similarly to the advanced producer service firms of the late 20th and early 21st century. To understand how these flows were produced, one has to look at the way in which late medieval trade was organised. How did trade firms from the 13th to 17th century manage to carry out business transactions in places far away from their hometown?

Generally, three different methods can be distinguished (Brulez, 1959, 365-375). The oldest method, that also existed in the period before the 13th-century trade revolution, was travel. A merchant travelled with his commodities, and attempted to sell them wherever he came. But even after the 13th century, when more sophisticated methods developed, travel remained an important strategy of business firms, especially of small merchants, and in regions that were weakly connected to the network. In the 13th century the big Tuscan firms developed a new method: the establishment of branches in other cities. These branches can be compared to the offices of current advanced producer service firms.
Two examples will clarify this. The Medici Company (fig. 2), the biggest 15th-century merchant-banking firm of Florence, did not only have its headquarters in Florence, but also had branches in seven other cities, mostly in the core-zones of the 15th-century European world-economy (northern-Italy and the Low Countries) (De Roover, 1948, 12). Similarly, the Datini company (fig. 3), an Italian company from around 1400, had 8 fondachi, all of them in the north-western Mediterranean (Origo, 1957, 343-345). Although both companies had a transnational office network, these were not very impressive when compared to the global distribution and number of offices of ING (fig. 1). Consequently, if this is what we call medieval globalisation, then we can conclude that this was not up to much.
Indeed, the establishment of branches in foreign cities was an expensive affair, and only the big companies of the late Middle Ages and early Modern Times were able to establish such foreign branches. Most medium-sized and small merchant firms used other techniques to carry out business transactions abroad. The same applies for the big firms, who conducted trade in a much larger number of places than only in the cities where they had an office. Many long-distance merchants developed contacts with merchants in cities were they wanted to carry out trade. This contact abroad could be an emigrated family member, a merchant from the same place of origin as the firm, or an indirect contact via another merchant. When a firm wanted to buy or sell a product abroad, or to carry out a payment for example, the firm contacted the befriend merchant in the city where the transaction had to be carried out, and ordered him to buy or sell the goods. Consequently, the merchant abroad acted as an agent of the company, while conducting business for his own account as well. These transactions were often conducted in participation or commission. In case of participation trade the foreign
merchant was a participant in the transaction, and had a share in profit or loss, while in case of commission trade the foreign merchant received a fixed amount of money.

![Fig. 4: Correspondence of the Datini Company (1364-1411)](image)


The map showing the different places of origin of the letters sent to the 8 fondachi of the Datini company (fig. 4) clearly demonstrates that the flows generated by the firm spanned much more cities than only those in which the fondachi were situated (Origo, 1957, 343-345). Again, the strong representation in the cities in the core of the European world-economy around 1400 is striking. Large parts of the European world-economy were excluded from the city network, analogously to the exclusion of large parts of the world from the world city network nowadays.

Another example is that of the Della Faille company, one of the biggest Antwerp companies of the 16th century (fig. 5). In addition to the headquarters in Antwerp, the firm had branches
in London, Venice, Verona and Naples, and agents in Lisbon, Seville, Lille, Bruges, Middelburg, Amsterdam, Emden, Hamburg, Cologne, Nuremberg and Augsburg (Brulez, 1959, 64). These agents regularly carried out transactions for the Della Faille firm in commission or participation, besides operating as individual merchants on their own. The firm also had correspondents in a large number of other cities, but the relations with these other cities were less regular and less substantial.

![Map of Della Faille Company: Branches and agents (1584-1594)](image)

*Fig. 5: Branches and agents of the Della Faille Company (1584-1594)*

*Source: Brulez, W., 1959. *De firma Della Faille en de internationale handel van Vlaamse firma's in de 16e eeuw*. Brussels, Paleis der Academiën, 64.*

The flows in these networks of branches, agents, and business travel consisted of commodities, bills of exchange to make payments, staff, and correspondence to give orders, share information etcetera. Similar flows of commodities, capital, personnel and information are exchanged between the offices of advanced producer service firms.
Concluding remarks

The aggregation of the networks of branches, agents, correspondents and travel of a large number of late medieval and early modern firms for different time periods between ca. 1250 and ca. 1650 allows us to investigate and measure the configuration and evolution of the European city network in detail. Data can be found especially in historical literature, since historians have investigated the spatial organisation of many business firms already.

Due to the measurement of this city network, questions such as “What were the world cities between 1250 and 1650?”, “Was the network continually changing or rather stable?”, “Was it hierarchically structured or horizontally?”, “Did the late medieval economy function through mono-centric world cities or rather through poly-centric city regions?”, etc. can be investigated. Generally, a comparison with the configuration of the present-day world city network will lead to a more historically informed account of the current phase of globalisation.

References


