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The Cradle of Globalisation

Venice's and Portugal's Contribution to a World Becoming Global

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Abstract

The opening up of transoceanic trade by Portuguese ships returning from India in 1499 has been a crucial step in a long lasting process of “globalization”, to which Portugal and Venice contributed importantly. Therefore the forces of economic expansion and its institutional background in these locations have to be investigated to understand what really makes historical change.

Thus I want to discuss in this paper (1) the character of a “line” of Venetian-Portuguese tradition that leads the Medieval World into the Early Modern Era with special emphasis on economic and political institutions; (2) if the world, in which Venice and Portugal acted, therefore was “becoming global” due to their very contribution and if this “becoming global” may be correctly labelled a process of “globalization”; and (3) if this transition may be seen as some kind of textbook example about the asynchrony of historical change, the simultaneity of a medieval and a modern world around 1500.

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Introduction

This paper is about the economical, political, and social history of Portugal and Venice, and it is about a period of world-historical change closely connected to the process of globalisation. Venice and Portugal serve as both, examples and driving forces of this change and thus play an important role in the history of globalisation. This is most drastically exemplified by the year 1499, when two Portuguese ships returned to Lisbon from a voyage to India with nothing more than scarce samples of oriental spices, formerly for centuries almost exclusively provided for Europe by Italian cities, most prominently Venice. Two decades later her sources had dried out, so that the *Serenissima* herself asked in Lisbon for spices. Thus something really has changed in a world quite stable for some centuries before.

However, this event opened the door of transoceanic global trade and has been one step in the long lasting process of globalisation, to which Portugal and Venice contributed importantly. Therefore especially the forces of economic expansion and its institutional background in these locations have to be investigated to understand globalisation as well as to understand what really makes historical change. This leads to lessons for our present and future, which is definitely a “globalizing” one, and which is located in a “transformational TimeSpace”.¹

The paper is organized as follows. In the first part I want to discuss the nature of globalisation to give an introduction into the topic. The second part is dedicated to a description of Venice and Portugal on their way from the medieval world into the early modern era with special emphasis on economical and political institutions. In the third, analytical part two questions are central: Was the world, in which Venice and Portugal acted, a world “becoming global” or even “globalizing” and in which respects? And how much is historical change, as well as globalisation, an asynchronous process in time and space? Concluding remarks close the paper.

Globalisation

What is Globalisation?

There is an ongoing debate about the meaning of globalisation, although it is not always an explicit one. The majority of scholars (especially economists), refer to “globalisation” as

¹ See on the concept of TimeSpace in detail Wallerstein (1995), 164ff.

a historically new, positive, and homogenizing process.² They date its beginning at the end of the 1980s, they identify it with the positive growth effects of liberalization and growing international trade, and they think that the world becomes a global village, populated by people becoming more and more alike in preferences, manners and habits.³

This leads to an abundance of definitions of globalisation, but a general understanding of the concept still is rare. This is part of its very nature: it is not easy to cover a diverse and multidimensional process by a simple statement, focusing either on a specific characteristic (like – to name a quite useful one – “factor price convergence”) or remaining broad (like “interrelations over distance” of whatever kind). The serious problems grow out of the consequences of definition. Not only is communication about globalisation exacerbated by completely different understandings about the term, but these understandings lead to completely different conclusions and answers on important questions as well. Is globalisation good or evil (or both)? When has it begun? Is it driven or unavoidable and if it is driven, who (or what) drives it? What can we do to support (or to fight) it? Is it an irrevocable secular process or is it cyclical? Can it and will it collapse or not?

Globalisation is not simply “international trade”, nor is it restricted to “integration of (world) markets”.⁴ But this is not enough, because by simplifying one loses the complexity and thus the understanding of the phenomenon.⁵ For that reason I want to distinguish three main dimensions of globalisation. These are an economical one, a social-political one, and a cultural one, closely connected and often overlapping. To simplify as much as possible, globalisation is about growing interconnection within and between these dimensions, and located in an expanding geographical area. It is central to understand, that this trans-dimensionality and interdependence is the very nature of globalisation.

The economical dimension is represented by growing trade flows (including criminal activities), increasing investment abroad, and production driven by overseas markets, price convergence, factor movements, and standardization. The social dimension is represented by political interrelations, up to political unification or imperial expansion and covering wars as well as diplomacy, by the migration of people, peaceful as well as warlike, by an awareness of developments and problems abroad, by backlashes of theses to local communities, by the spread of diseases and pollution, and by the intensified acquisition and exchange of knowledge and technology. Finally the cultural dimension is represented by the export and homogenization of culture(s), by the proliferation of language(s), by more intense communication in space, and by religious interaction,

² See Schaeffer (2003), 8-13, for a short overview.

³ I will not discuss here that these scholars ignore important facts about the unevenness of development in this global village. See Exenberger/Nussbaumer (2004), 9ff, for an overview. Actually those confusing globalisation simply with international trade ignore that it has important distributional effects.

⁴ See Bordo/Taylor/Williamson (2003), who eloquently discuss globalisation in its economic dimension and thus quite exclusively as a phenomenon integrating goods, capital and labour markets.

⁵ See Schaeffer (2003), Tomlinson (1999), or (briefly) Niall Ferguson in Bordo/Taylor/Williamson (2003), 554-562, for this broader view.

spreading from dialogue to holy wars. All this leads to new or at least changing formal and informal institutions in all dimensions, and it also provokes resistance, because these developments do not only provide chances, but also lead to violence in any case, be it direct or structural.

When does Globalisation begin?

Understood in this broad, but nevertheless specific sense, at least three schools of thought about the beginning of globalisation can be identified among scholars in the field of historical studies.⁶ The most recent one focuses on two different “waves” of globalisation.⁷ The first wave occurred during the imperialist period of world history in the second half of the nineteenth century due to a revolution in transport costs and technology, leading to the opening-up of vast land areas and to migration, increasing international flows of goods and capital, strengthening global price convergence, and speeding up economic productivity. The second wave started after the disastrous break during the years from 1914 to 1945.

Another school stresses that this is too short-sighted.⁸ In its view the period around 1900 is only part of an ongoing trend towards global integration, a cyclical upswing in the whole process of globalisation. But its beginning lies in the early sixteenth or late fifteenth century and is connected to the build-up of the first global colonial empires, the violent and non-violent infiltration of large parts of the world by Europeans. Direct interaction on global scale became possible on a regular basis, and Magellan’s expedition made the world “global” in the literal sense. A third school finally believes that globalisation is a characteristic of civilization, thus its beginning lies at the beginning of history.⁹ In this view, globalisation is about imperial expansion, cultural inclusion and amalgamation, economical interactions, and progress, and strands of continuity are more important than the unavoidable disruptions within this process.

The discussion is open-end, because all these schools have something to tell (as well as a discussion of more recent beginnings of globalisation). How much one can find in it is thus very much a question of viewpoint and of definition and the answer to the question “When does globalisation begin?” does always lie in the answer to the question “What is globalisation?” that has to be answered in advance.¹⁰

⁶ See for a short discussion for example Borchardt (2001). For an elaboration of a more contemporary (“post-war”) globalisation, see Schaeffer (2003). Although this approach also provides some insights, it ignores the structural dimension of world history in the *longue durée*, providing the phenomenological “forerun” necessary for a deep understanding of the process.

⁷ See Baldwin/Martin (1999) or O’Rourke/Williamson (2002a).

⁸ See for example Wallerstein (1986), although he did not use the term “globalisation”.

⁹ See for example Frank (1999). Sanderson (1995) also provides material in favour of this view.

¹⁰ See Exenberger (2003b), especially 30ff.

From Medieval to Early Modern Times

Historical Records

Venice as a settlement originated in the fourth or fifth century. The city emerged as a Roman fugitive settlement at the sea, politically soon tied to Constantinople, but its population also held property and residence at the mainland. This dialectic dominated its history for a long time and made Venice a unique location, being sea- and land-bound at the same time, being Byzantine and Western at the same place, and being a stratified society from land owners to slaves as well as an egalitarian society of refugees.¹¹ The dialectic of sea versus land proved to be the most sustainable and visible in the history of a more and more independent sea-bound outpost.¹²

Her historical records during the structural TimeSpace usually called “Middle Ages” can be characterized by eight consecutive periods: two “Byzantine”, one “Adriatic”, three “Levantine”, and two “Global”. The *first Byzantine* period was characterized by the full development of Venice as permanently inhabited city and outpost of the Byzantine Empire (also called the “Romania”) with strong political and economical links to Constantinople. It lasted until the tenth century and was followed by an *Adriatic* period, lasting until the middle of the eleventh and characterized by more independence and a concentration on regional interests. After that a *second Byzantine* period emerged, when the Venetian fleet defended its former protector against the Normans and other invaders and gained commercial privileges in the Romania as reward. The First Crusade then gave way for the *first Levantine* period, when Venice followed Genoa and Pisa to serve the Crusader States and in that way intensified its links to the Levant, particularly Egypt.¹³ This shift was contradicted by competition and by Papal provisions but at the same time enforced by Byzantine resentments, which together led Venice into a crisis, resulting in the Fourth Crusade, for which the city at first only provided the fleet, but finally earned possession of “three eights” of the Eastern Empire, which made her one of the European great powers. Thus the *first global* period of Venetian history started, the city got also access to the Black Sea (and after the Mongolian conquest also to the trans-Asian trade routes) and used her new bases to control the Levantine trade routes. At the same time Venice also played a decisive role in Northern Italy by forcing partners into lopsided trade relations and forcefully excluding its competitors from these monopolized markets.

¹¹ See Exenberger (2003a), 49f, referring to Karbe (1995), Luzatto (1961), Nicol (1988), and Rösch (2000).

¹² See Nicol (1988), 1-49. In his view, Venice changed from a “province” to “protectorate”, “ally” and “partner” of Byzantium. An important story in this context is the transfer of the relicts of the evangelist Marcus from Alexandria to Venice in 828 by Venetian traders (!). This event strengthened the city’s importance in the Christian world very much. See Rösch (2000), 23f.

¹³ The Crusader States were economically dependent on the “Italians” for the supply of almost everything from food to ships, and for the transport of pilgrims. Thus their profits were relatively high and privileges (including “quarters” in various Levantine cities) widespread. See Favreau-Lilie (1999), Rösch (1999).

But this did not last for long. The *second Levantine* period was opened by the loss of her privileged status in the East in 1261. It was a period of only relative decline (due to the rise of Genoa) and a forced concentration on Levantine trade, while in the first half of the fourteenth century, the *third Levantine* period, absolute decline and serious crisis occurred, culminating in a disruption of trade with Egypt and the Great Plague.¹⁴ After more than a century of lossy and trade-disturbing wars against Genoa, ending in 1383 with a draw, Venice entered a *second global* period of extensive economical and political profits lasting for more than another century. This period was characterized by the failure of competitors and the decline of the Levantine economy, contributing to Venetian skills, also reflected by the conquest of a significant mainland state.¹⁵ But this glamorous period ended in a disastrous war against the League of Cambrai that proved the Venetian inability to defend her vulnerable territory, and the invasion of the Portuguese into the spice trade.¹⁶ Although Venice recovered within a few decades, it never regained her former position.

Portugal as a state originated in the eleventh century and developed as amalgamation of a Christian-shaped Galician-Portuguese North and a Muslim-shaped Lusitanian-Mozarabian South, characterized by two important lines of conflict: against the greed of its “Spanish” neighbours and against the “Muslims” at both shores of the Algarve. After 150 years struggle for independence and territorial expansion, finished by the conquest of Faro in 1250, a century of integration followed, when administration, laws and language were harmonized, and commercial and political links to England were formalized for the first time.¹⁷ This first heyday of the Portuguese monarchy ended in an economical and political crisis originating in the Great Plague, enforced by ongoing warfare between Portugal and Castile and culminating in the near-collapse of the state in 1383. But a new dynasty of the elected João of Aviz, supported by the cities and some parts of the (lower) nobility, won the war of succession against Castile and re-stabilized the country. A network of interlocked economical, political, and religious motives then drove the country’s focus to the sea and to overseas expansion.¹⁸ Starting with the occupation of Ceuta in 1415, members of the Crown funded and supported a multitude of expeditions along the African coast, leading to the discovery of valuable islands, coastlines, rivers, and sources of revenue (gold, “pepper”, slaves), as well as enemies and allies.¹⁹ The commercial success of these expeditions was variable, some interruptions by times of disinterest and privatisation also occurred. But during the reign of João II (1481-95), they significantly gained momentum, leading to the circumnavigation of Africa awaited for so long. What

¹⁴ See Exenberger (2003a), 70ff, and Ashtor (1983), 10ff, 39ff, 54ff, 63ff.

¹⁵ See for the Levantine arena Abu-Lughod (1989), 230ff, and Ashtor (1983), 200ff, and for the relatively profitable Italian arena Law (1981), Law (1992), and Sibylle/Rösch (1991), 97.

¹⁶ See for some numbers showing the collapse of Venetian Levantine trade Subrahmanyam (1991), 66.

¹⁷ See Exenberger (2003a), 100f; referring mainly to Oliveira Marques (1972), especially 85ff, as well as Kurowski (1990), and Salentiny (1977).

¹⁸ See for these Boxer (1969), 17ff, Kurowski (1990), 109ff, Mödlinger (1989), 5ff, and Oliveira Marques (1972), 139ff, all summarized in Exenberger (2003a), 110ff.

¹⁹ See in detail especially Hamann (1968).

followed a little later was the opening of the Cape route to India (it was all but a discovery) by Vasco da Gama in 1497-99.

Then the mood of the whole operation changed dramatically. Instead of discovery mastery was aspired. In 1505 the *Estado da India* was founded as vice-kingdom, and in 1506 a Crown monopoly of trade was formally established, transforming the economic system into some kind of proto-mercantilism or “monarchical capitalism” (Subrahmanyam), centred around the Crown. But João II and Manuel I also burdened Portugal with long-lasting problems: the first one saddled it with a sustainable conflict between Crown and nobility, and the second one – by expelling Jews and forcing them to convert – created long-lasting religious resentments.²⁰

After some years of expansion the *Estado da India* stretched from East Africa to Malaca, later to Macao, centred on Goa at the Western coast of India. This vast empire, although in fact hardly more than a chain of dominated cities, small territories, and a very limited number of ships and people, lasted for almost a century.²¹ Its end came with the unification of Portugal and Spain in 1580 and the Dutch Wars, stripping Portugal of almost all of its possessions in Asia until 1668.

Institutions

The Venetian political system was a completely unique one. Although this is often said of any medieval political system, and it is true to some degree for most of them, this statement has a very special quality in the case of Venice. She became a politically stable and wealthy republic relatively early, and maintained this status even after all other Italian states had abandoned it. Venice owed this to a large degree to a complicated system of political bodies, comprising of five central institutions.²² The Great Council served as mother, nurturing the others with personnel and legitimacy. With almost 3,000 members it was of considerably size and covered the whole city nobility, and the Doge was elected from and by it.²³

Hence three elements combined to this “pentarchy”: the monarchical one embodied in the Doge; the oligarchical one embodied in the limited access to decision-making; and the democratic one reflected in the rules. And two guidelines of decision were central: flexibility (reflected in the system of case-specific “*correzioni*” instead of a written constitution), and the priority of common interest (of “*res publica*” prior to “*res privata*”). This finally led to politics favourable for trade and traders. Not only was a majority of the

²⁰ See Oliveira Marques (1972), 210ff. The “new Christians”, converted Jews, became economically very influential until the end of the sixteenth century, thus provoking envy by the “old Christians”.

²¹ See in detail Feldbauer (2003) on the history of the *Estado da India*.

²² This was compared to the five domes of the Marcus Cathedral by Leopold von Ranke, as cited in Karbe (1995), 159. Gasparo Contarini already in the sixteenth century described Venice as “epitome of balanced political powers” and “government-machine”, also cited in Karbe (1995), 168f

²³ The power of the Doge was mainly informal and owed to his special position within the system (his was the only position elected for life-time), while he lacked official competences. See Karbe (1995), 177ff.

nobility engaged in trade, but trade provided direct revenue for a quarter of the population and thus indirectly for the rest, profiting from the purchasing power of this quarter via family ties or business links.²⁴

Checks and balances were generally strong, further ensured by short terms in office and scattered “mosaic-competences” of decision-making bodies to enforce mutual control, and by the long-term appointment of public servants from the “*cittadinazza*” (the bourgeoisie not eligible for political offices) to ensure continuity.²⁵ Transparency and publicity were important, control and self-control was widespread, offices rotated in short terms, decision-makers and office-holders were held responsible for their actions. Even competition between bodies and offices was promoted. Political rights were duties as well: a refusal of office was difficult and office-holders were obliged to spend an adequate amount of money in the city.²⁶ Finally, even a certain degree of equality before the law was guaranteed by courts responsible for their decisions, and private property was relatively secured. To sum up, political codetermination was widespread in medieval terms in Venice, reflected in strong checks and balances and voters and potential decision-makers, numbering some per cent of population.

At the same time, in Portugal favouritism was customary. To a much higher extend than in Venice personal “proximity” to the factual decision-makers (the Crown) was important for economical success. The Crown was active in trade and an important land owner after a century-long fight for possessions against the nobility and clergy. Although it faced serious backlashes, until 1550 the Crown seemed to be more or less successful and enlarged its economic basis and political power. The result was (relative) political stability. The strong position of the King also owed to his special function, particularly from 1385 on. The monarchy “[...] held the balance between opposing elements not in the sense of a class struggle pure and simple, but a struggle between regions, between interior and coast, between a nobility attracted to Castile and an urban bourgeoisie and artisan class that saw trade as the obvious key to prosperity, given Portugal’s – and especially Lisbon’s – position at the cusp of the Mediterranean and the Atlantic. What made this struggle particularly complex was the fact that the nobility itself was divided on some crucial questions, which in turn was further exacerbated by the entry of some merchants into the lower nobility [...]”²⁷

Finally, both states succeeded in transforming the “national” clergy into a “state-church”, directly responsible to local political forces, not the Pope. Thus religion often was instrumentalised for political ends. In Venice popular identification with the state was strongly enforced by quasi-religious rituals, often associated with the “city saint” Marcus. In Portugal crusader mentality was very important for motivating especially the early

²⁴ See Braudel (1986), 128, and Tenenti (1986), 681.

²⁵ See Karbe (1995), 159ff.

²⁶ See Karbe (1995), 60, referring to Frederic Lane.

²⁷ Subrahmanyam (1993), 45.

voyages, and the success of Portuguese expeditions in the Indian Ocean owed a lot to the religious zeal accompanying them.²⁸

The Economies

While Portugal was ruled by a “merchant king” (a king of merchants as well as a king himself engaged in trade), shaping the trading environment much more actively than other European monarchs, Venice sometimes seemed to be as much a commercial enterprise as a state and its political meetings were similar to board meetings. It was ruled by a large group of people active in trade and many of them even owed their social and political status to their wealth originated in trade (also the Doge usually emanated from one of the great merchant families). Hence, politics and economics were generally close to each other in both locations. Both states were successful in organizing trade in ways fostering capital procurement and risk minimizing. This proved to be particularly the case in Venice, where individual risk was avoided by distributing private capital to different ventures and securing these by publicly financed convoys, and by pooling capital in multilateral companies.²⁹ In Portugal the King played the central role as pool of capital and main organizer of the ventures. But as a reaction to a relatively narrow base of capitalists, capital procurement often took the form of compulsory loans and concessions were primarily a form of privatizing risk while securing public rents, which also gave way to widespread corruption.³⁰

The economy of Venice rested on two legs. In the West preferential treaties with the Empire were negotiated from the ninth century on.³¹ This ended with a monopolization of trade with the cities of the river-system of Northern Italy and the Adriatic coast, for a while stretching as far as Southern Italy and Sicily. This links to the West built the basis of Venetian wealth, with re-exports playing an important part.³² The annexation of the mainland state, which was often welcomed by the inhabitants as improvement of their living conditions, completed the dominance.³³ In the East Venice enjoyed advantages over its later competitors because of her early commercial links, enforced by political ties. The city not only negotiated treaties there, but enjoyed privileges in the Romania and the Levant, although these were not always fully enforced and often unilaterally cancelled for

²⁸ See Reinhard (1983), 66f for Portugal, and Karbe (1995), 213ff for Venice.

²⁹ Mostly companies of the *fraterna-* or *collegantia*-type; see Karbe (1995), 39f, 62.

³⁰ See Reinhard (1983), 90ff.

³¹ See Schaube (1906), 4ff.

³² See Pirenne (1972), 20, or Rösch (2000), 57, for examples of the far-distance trade to the East. See Rösch (1982) and Schaube (1906) for evidence of local trade.

³³ See Law (1981), 81ff, Law (1992), 160ff.

several years.³⁴ Nevertheless Venice dominated Levantine trade with Europe throughout the centuries, but shifted the focus from Constantinople to Alexandria and Beirut.³⁵

For Portugal agriculture, mainly on subsistence level, was central (thus, although overseas relations were more influential for Portugal, its major trading partner was Castile). Seafaring was of slowly growing importance, promoting fishery and trade. In contrast, crafts remained relatively insignificant and technologically modest.³⁶ Even more, Portugal was geographically remote, but changed its remoteness into a strategic position. In the fourteenth and early fifteenth century it combined the strings of a “first Atlantic” (its commercial ties to France, England and Flanders) and of a “second Atlantic” (the Western Mediterranean).³⁷ Thus it became an important relay station in the Italian-Flemish trade and the relations especially to Genoa intensified. By sailing southward Portugal later extended this area of activity by a “meridional” Atlantic (in contrast to a “transversal” one dominated by Spain), changing the whole structures of the Atlantic branch of Portugal’s economy. In its Asian branch several new sources of revenue were developed. At first, Portugal created a lack of security and of commercial expertise in the Indian sea trading system by destroying the ships of competitors, later providing security (by permits for sale) and commercial expertise (by its own ships).³⁸ Then, commercial profits were achieved mainly in pepper trade to Europe. After all, revenues by plundering ships, by ruling (trade) cities, and by possessing territory were gained in a commercial empire stretching from Malaca and beyond to East Africa.³⁹ Later, from the middle of the sixteenth century on, “country trade” within Asia became by far the most important source of revenue.⁴⁰

Throughout the fifteenth and sixteenth century, Portugal carefully and forcefully protected its monopolies against competitors, at first mainly in Africa, then mainly in Asia, in both arenas more or less successful for some decades (as did Venice in the Eastern Mediterranean throughout the centuries). Military power was crucial for that. When the ability to effectively defend the own ships and to attack the ships of competitors was lost, so was the monopoly. Whenever monopolies were impossible to implement due to the strength of the trading partners, systems of privileges replaced them, often only gradually less important. An important part in this system was transportation: it was vital not only

³⁴ See for example Ashtor (1983), 270ff, who refers to the Venetian-Mamluk relations during the second quarter of the fifteenth century.

³⁵ In the 1390s for example Venice held 40 % of Levantine trade, compared to Genoa’s 30 %. See Exenberger (2003), 79, for detailed numbers see Ashtor (1983), 184, 193f and 198. The rest was mainly Catalan trade. During the fifteenth century the Venetian position even improved. See Ashtor (1983), 359.

³⁶ See Kurowski (1990), 97ff, Oliveira Marques (1972), 56ff, or Rau/Mattoso (1980), 388ff.

³⁷ For the concepts of “first”, “second”, “meridional” and “transversal” Atlantic see Fonseca (1986), 795ff.

³⁸ See Boxer (1969), 44f. It was good luck for the Portuguese that at the time of their arrival in India there was no war fleet existing in any Asian state, including China. See Feldbauer (2003), 53.

³⁹ From 1499 on, King Manuel’s title reads: „King of Portugal and the Algarve, ruler of Guinea and of the conquest, the navigation and the trade of Ethiopia, Arabia, Persia, and India“; Reinhard (1983), 52.

⁴⁰ In 1600 the Cape route amounted for only 6 per cent of total shipping from India, while East Asia amounted for 20 per cent and other Indian cities for 50 per cent. By then, East African and Asian gold remained completely in the *Estao da India*. See Reinhard (1983), 102ff.

to grant exclusive access to the sources of revenue, but to guarantee (as far as possible) safe conduct for people and goods.

This was secured also by a very efficient convoy service, called “*carreira*” in Portugal and “*muda*” in Venice. These services were very important: “The success of the Venetians was also to a very great extent the effect of the excellent management of the galley service. Despite unfavourable political circumstances and the increasing danger of attacks by Turkish fleets, the galley service functioned regularly, so that the Muslim merchants, on one hand, and the Italian and German costumers, on the other, could always make their plans for their transactions.”⁴¹ The auctions of the convoys, in Venice usually containing of up to twenty ships of a few hundred tons capacity each, were of variable success from year to year and the amount paid was directly dependent on commercial expectations.⁴² For the Portuguese their convoy service was a cornerstone of commercial success as well. It was conducted on several routes by fewer but larger ships than the Venetian.⁴³ Beside the Cape route from Goa to Lisbon the routes to Malaca, to the Spice Islands, to Ormuz, and (later) to Macao were most important compared to two dozens other routes. Most of these were privatised at least by 1580, when the Crown sold licenses to investors from all over Europe.⁴⁴

The factory system was another similarity of the Portuguese and Venetian trading networks. Venice (even more pronounced than other Italian cities) conducted her trade in the Levant mainly via certain trading posts, called “factories” or “*fonduks*” (in the Muslim world). These settlements permanently inhabited by fellow countrymen and often ruled by their own authorities secured the foreign trader of safe arrival and conduct in the host country, of competent contact persons, and of certain trade concessions and privileges. Usually foreigners enjoyed freedom of religion and were subject to their own jurisdiction, at least as long as conflicts remained internal. These institutions enlarged the bargaining power of the visitors, but at the same time were advantageous for the host as well: they simplified taxation and control, and they facilitated the imposition of quotas and regulations.⁴⁵ Portugal applied this system in Africa and India very successfully. It maintained a chain of several dozens factories from the Senegal to Macao. What made a difference was that Portugal’s settlements, even if located in the territory of a foreign (often formally tributary) state, often were accompanied by fortified military and naval bases. In contrast in Venice, colonies and trading posts usually were separated and established on much more equal terms.

In colonisation Venice followed the example of other Italian cities, particularly after the occupation of Crete in the thirteenth century. The island served as relay station in the

⁴¹ Ashtor (1983), 253. The citation refers to the fifteenth century.

⁴² See Exenberger (2003a), 82, 84, based on Ashtor (1983), 118f, 262, 318ff, 475f.

⁴³ At the beginning the Cape route was served by roughly a dozen ships per year with on average 300 tons each, later the number declined (to half), but the capacity grew (up to ships of 2,000 tons). But some of the routes were even served by single ships. See Reinhard (1983), 93, and Boyajian (1993), 86ff.

⁴⁴ See Subrahmanyam (1993), 138ff.

⁴⁵ See Rösch (1999), especially 246ff. The Venetians copied this for “Germans” in Venice.

Levant trade, location for the slave trade, source of agricultural products, and settler colony.⁴⁶ Other colonies, smaller and occupied for shorter periods, were similar in character, but less important. The Portuguese at first settled at some uninhabited Atlantic islands and transformed them into sources of several agricultural products. Later they added limited land possession in Asia, in Brazil and in Southern Africa.⁴⁷ Nevertheless especially the meridional Atlantic remained primarily an extraction economy (of plants, minerals, and humans), centred at the slave trade.

To sum up, Venice and Portugal were “state firms”, although different in intensity. While in Venice, the economic elite was almost completely identical with the political elite and almost all politics was at the same time economics, carried out on a relatively broad societal basis, in Portugal the Crown ruled on a much narrower societal basis and politics was more often confused by considerations far away from economic reasoning. Economical and political elites were also much more personally separated as in Venice. Both “state firms” relied upon trickle-down-effects, proving very successful in Venice, but much less in Portugal, where wealth was only spread around a very limited number of people and often drained off abroad.

A World Becoming Global

The examples of Venice and Portugal show very well that geographical factors are important to explain historical developments, but only the combination with certain political and economical factors led both countries to the build-up of large-scale trading networks – the first important step into a world becoming global, not only geographically. It was the Portuguese paving the way to the open seas and it was the Portuguese proving that going there is highly profitable, leading to mimicry by other sea-powers.⁴⁸ This became possible by the accumulation of naval knowledge during a century of exploration in the waters of the Atlantic and the Indian Ocean.

Even more important than the making-of of a *feasible globe* was the making-of of an *actual globe* by political, military, and economical activities all over the world. Although Portugal’s globe was just half of the world (the other half was Spanish) and covered only small portions of this part, interrelations were growing and growing. Hence it is easy to find all dimensions of globalisation in the Portuguese trading network: trade intensified between Asia, Africa and Europe, investment as well, and migration was significant (some dozens of thousands European migrated during the sixteenth century to Asia, later also to Brazil); wars (in India and the Indian Ocean), diplomacy (in China and Japan), the spread of diseases and of knowledge (in both ways) intensified, and the awareness of developments and events anywhere in the world and their influence on local

⁴⁶ See Schmitt (1986), 239, 257ff. Most of the “settlers” were land owners from the nobility.

⁴⁷ See for Brazil and Southern Africa especially Boxer (1969), 86ff, 99ff, Oliveira Marques (1972), 251ff, 376ff, and Reinhard (1985), 116ff.

⁴⁸ But it was no accident that these other countries (Spain, England, France) at first directed their activities to regions not already controlled by the then mighty Portuguese. See Exenberger (1999), 20f.

communities grew at least in the commercial upper class; finally the emergence of an “alloyed” culture of Portuguese, African and Asian heritage, the emergence of a special “Asian” Christianity, adopting a lot of local elements, the spread of the Portuguese language as lingua franca at least in economic relations to Europeans, and communication links all added to a globalised world. This was extended before the political unification of Portugal and Spain by links between the different networks, like the gold and silver exports from the recently opened-up Americas, nurturing European-Asian trade. Clearly all this remained on a relatively small scale compared to the twentieth or even nineteenth century. Trade became cheaper but not necessarily faster or safer, and to talk about global “standardization” or about global price convergence would be a crude exaggeration. Nothing substantial changed in the world of thousand currencies and weights and in the price spreads between East Asia and Europe, in some cases exceeding 1 to 100.⁴⁹

The Venetian activities were almost as wide-spread as the Portuguese, although much more “indirectly global”. The Venetian network linked the Eastern Mediterranean and the Black Sea with Europe even in the thirteenth century, and in the fifteenth it was extended as far as Bruges and Lubeck in the North, enclosing Western Europe as well. This large-scale network collapsed from 1453 on, finally leaving only the most profitable routes to the Levant in operation.⁵⁰ But the “chain of goods” ranged much further, even in the thirteenth century: from the Spice Islands to Greenland, including also Central Asia and Northern Africa.⁵¹ Nevertheless this chain was not a continuous one, but was interrupted by at least three relay stations: Asian or Muslim traders bought at the Spice Islands and brought their purchase to India; other (mostly) Muslim traders shipped it from there to Egypt and Syria; and finally European traders (mainly “Italians”) purchased the goods there and sold them in Europe. Besides some minor land routes to the East, during the era of the Mongolian Empire in the thirteenth and fourteenth century another important Venetian trade route linked the trading posts at the Black Sea directly with China, opening another chain and even leading to (very limited) migration from Europe to Asia.⁵² Clearly, the intensity of globalisation was even less than in the Portuguese era, but nevertheless it occurred: trade, investment, and migration; holy wars and trade wars all over the Mediterranean, diplomacy (a cornerstone of Venetian politics), exchange of knowledge between Christians and Muslims, and diseases (above all the Great Plague that spread along the trade routes). In the cultural sphere contacts were widespread, although this did not consequently lead to an amalgamation of cultures and the only sign of “standardization” was the ever growing importance of “European” measures in the Levant.

It is much clearer that during the Portuguese era interdependence was much stronger and truly global. “But the expansion was changing the terms of trade. The more intensive exchange between Europe, the Americas, Africa, and Asia in the second decade of the

⁴⁹ See for example Reinhard (1983), 73. A lot of the trade boom of the sixteenth century was largely due to population and purchasing power growth in Europe. See O’Rourke/Williamson (2002b).

⁵⁰ For some maps see Exenberger (2003a), 85, relying on Alberto Tenenti and Corradi Vivantis work published in 1961 in *Annales*, which contains yearly maps of Venetian trade routes from 1335 to 1534.

⁵¹ See Exenberger (2003a), 91f. See also in detail Abu-Lughod (1989).

⁵² Reinhard (1983), 19f. See for this route in detail Abu-Lughod (1989), 175ff.

seventeenth century began to erase the initial benefits Europeans derived from connecting markets that had never been directly connected [...]. European demand, no matter how merchants and companies tried to avoid it, raised prices in Asia, while greater supplies of Asian goods depressed prices in Europe, reducing profit margins.”⁵³ European demand also influenced the Indian textile industry by promoting production and changing the product, especially its design, to meet European preferences.⁵⁴ By then, true world markets were born.

The Asynchrony of Historical Change

It is clear that the expansion of the Portuguese as well as the Venetian network did not happen linearly. Although Portugal advanced quite continuously along the African coast to India (and further), different areas within its empire developed in different speeds. This became obvious for the first time in the middle of the sixteenth century, when the resources of Portugal proved to be insufficient to serve all at the same time (and it became even more obvious during the “first world war” against the Dutch). At first Portugal turned its back on Europe and withdrew from active trade there and from its factory in Antwerp, then it was forced to move away from most of Morocco, and when the trading network in India was in decline, Brazil, the slave trade from Africa to the Americas, and the luxury trade in Macao gained importance.

In Venice the asynchrony of expansion was even more apparent. Cyclical ups and downs determined its economical and political history during the centuries. Northern Italy, the Adriatic Sea, the Romania, the Black Sea, the Levant in general, and Egypt and Syria in particular, all had their heydays (usually more than one) within the Venetian network of trade, politics and diplomacy. Counterparts in these regions also changed their role as givers of privileges, equal partners, dependent contractors, commercial opponents, and political enemies.

Besides these geographical asynchronies, there were also important asynchronies in the character of developments. Venice and Portugal were in large parts “modern” when the world was “medieval”, and remained in some parts medieval when the world was already (early) modern. Portugal’s monarchy was strong and relatively absolutistic for the time, although feudalism survived for long and the nobility always struggled for influence and power, more and more successful during the sixteenth century. The country stood relatively united and was relatively centralized by administrative measures, some of them dating back to the thirteenth century, some introduced only by Manuel.⁵⁵ A national consciousness of large parts of the population served as counterpart of the somehow supranational class consciousness of large parts of the nobility. The Portuguese Crown had no problem to actively promote and even carry out trade for winning profits from it, while other monarchies in Europe kept their hands off this “dirty” business, restricting

⁵³ Boyajian (1993), 144.

⁵⁴ Boyajian (1993), 140.

⁵⁵ For the influential *Ordenações Manuelinas* of 1512 see Oliveira Marques (1972), 174ff.

their revenues to the indirect profits of taxation. While religious zeal (in its very medieval variant of crusader spirit) was very influential for the Portuguese expansion, Jews and Muslims were expelled from the country, and at first missionary work in Asia was conducted in a very crude form, Portugal's strategy changed completely due to a lack of success and the religious climate in Asia became more and more tolerant during the sixteenth century.⁵⁶ Finally, Portugal stood at the doorstep of renaissance, but this development was stopped.⁵⁷ While during the fifteenth century the Portuguese somehow "invented" empirical science by their expeditions resting on systematic research (reflected for example in detailed instructions for captains) and observation of facts, and not on religious truths, and in that way completely changing the perception of the world, this process came to a complete halt in the sixteenth century, when the Portuguese elites returned to bigotry and hostility to intellectual criticism.⁵⁸

To sum up, Portugal in 1500 was a country torn apart by a lot of cleavages nurtured by strong anachronisms.⁵⁹ This was not that serious in Venice, which was – as a city state with trading posts – very medieval in character, but changing into a territorial and colonial and therefore modern state during the fifteenth century. But then Venice was overtaken speedily by the emerging European territorial states, exemplified by the disastrous defeat of her army of paid mercenaries by the forces of the League of Cambrai. Although the city always adapted fast to challenges, during the sixteenth century she was no longer a vanguard but a pure imitator. This turned a commercial city open to the world into a small territorial state with (modest) industry and landowning as complementary sources of revenue. Even her progressive political system became more and more static and old fashioned in a world in which absolutistic monarchies got the upper hand.

The world changed around the year 1500, very obviously even for contemporaries. It ended the medieval period in European history, relatively stable for almost half of a millennium and even surviving the disaster of the Great Plague. The loose ties with the "outside" world intensified, and Europeans connected arenas never connected before. Thus it became more and more difficult all over the world to ignore "global" developments.

⁵⁶ „By the end of the sixteenth century the Portuguese had largely abandoned their *conquistador* attitudes and mentality which had inspired them in the first decades of their expansion in Asia; and they were primarily concerned with peaceful trade and with keeping what they had already got.“ Boxer (1969), 78.

⁵⁷ See Exenberger (2003a), 131ff; see also Boxer (1969), 346ff, or Oliveira Marques (1972), 215.

⁵⁸ See on empirical science in Portugal Exenberger (2003a), 116f and Exenberger (1999), 15ff.

⁵⁹ See Oliveira Marques (1972), 209, and Boxer (1969), 368f for some examples of hopelessly outdated chivalrous attitudes guiding Portuguese Kings in the fifteenth as well as sixteenth century.

Conclusion

Globalisation has a long history. In general, it is an old phenomenon with some new elements that often prescind the attention from its past. Thus it is necessary to rewrite history in this context to enrich our understanding of the past as well as the present and future.

It was – among others – Venice that gave birth to globalisation. Although her external links were not fully global, they covered a large part of the world indirectly. The network directly served concentrated on Northern Italy and some islands and trading posts in the Eastern Mediterranean and stretched from the Netherlands (by sea) and Germany (by land), touching some places at the Atlantic coast and in the Western Mediterranean, to the Black Sea and the coastlines of the Levant, casually reaching to some inland cities. But besides this limited geographical expansion, Venice served as catalyst and focus of economical, social and political developments in the whole Mediterranean, supported by her intermediate position between East and West. In this sense Venice gave way to a strong position of the economy in society, to a relatively weak stand of religion, to a strong state (not ruler) protecting its citizens, to an open-minded climate supporting arts, book-printing, and science, and to a political climate in favour of a “common interest”. These were important conditions for globalisational forces to start working.

The Portuguese then taught – in a very literal sense – globalisation how to walk. Their presence in the hosting communities also was deeper than the presence of the Venetians, transforming local cultures and religions into new, amalgamated ones. The Portuguese showed the profitability of transoceanic shipping and thus served as vanguards and examples for others to follow. They also provided expertise for those to follow, particularly during the sixteenth century, when all navies in the world (also Asian ones) learnt from Portuguese on their payrolls, like the Portuguese had done before by employing Italians. Finally, this expertise was acquired by a new perception of the world, an empirical one based on critically evaluated observations.

Now the foundation was laid and what followed could grow out of this basis. But it took some time until globalisation really grew up, which did not happen before the nineteenth century. What followed was juvenile arrogance and learning by ambitious trial and disastrous error. But did Globalisation re-emerge out of the ashes of World War II wiser or cleverer? So far it seems to be too early to judge historically. It may be in its most productive period of life nowadays, or it may be in its most destructive phase leading to calamitous consequences for mankind. But what is the essence of a transformational TimeSpace, like the one we are living in, is that the future is very much in our hands. Like others in history, we may feel overwhelmed by the forces of globalisation, but finally it is us giving or denying these forces their strength.

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