

Foreword

By the year 2000, the idea of networks had developed into social science mainstream. The concept was highly esteemed not only as a metaphor of modern society but also for providing social science and economics with tools seemingly capable of more accurately assessing the structure and dynamics of a world obviously becoming increasingly information-oriented and increasingly globalised. During the previous decade, by applying the pattern of personal networks to firms, an economic dimension was added to the concept of social networks, a concept which had already been in use for quite some time in sociology. In the economics' literature of the 1990s on business networks, then a new and immensely growing field, the network, known before only as a specific form of social structure, was now appraised as a sort of third principle of coordination for commercial exchange that existed in its own right beside the market and the hierarchy.

With this in mind, and deeply inspired by the early articles of Avner GREIF on the Maghribi traders, in which he used several aspects of the network concept for his description and analysis of a medieval Mediterranean system of trade that was based on culture, friendship and reputation without naming it a network (GREIF instead called it a 'coalition'), we prepared a working paper for an international business history conference in 2001. In this paper, we started to make use of the concept of network organisation with respect to the analysis of Hanseatic trade. Originally designed only to explain the astounding flexibility of the late medieval merchants of the Hanse in handling all relevant business information, the analysis soon turned to a much larger scope because we found an almost perfect match of theory with some stylised facts concerning the trading practices and the pattern of Hanseatic trade. By taking the concept of network organisation as a model of Hanseatic trade, we were able to show that many features of this late medieval institutional arrangement such as the dominance of small-size firms and reciprocal trade without formal contracting, a slow transfer of information between merchants, a lack of risk capital and certain forms of sociability among Hansards were either elements of a network organisation or directly related to this specific structural pattern. More-

over, since the concept of network organisation was originally developed in light of postmodern business firms, its high explanatory potential for a late medieval system of trade proved that a discussion, initiated by Wolfgang von STROMER in the 1970s, about the apparent backwardness of Hanseatic merchants compared to the emerging Upper German business houses was, in a way, an inappropriate judgement on the efforts of specific trade institutions.

Beginning with the publication of our study in German in the leading scholarly journal of Hanse research – the *Hansische Geschichtsblätter* – in 2001, the idea of networks became an increasingly important topic in the research into the Hanse, to which we contributed further with several other articles. We recognise, quite happily of course, that the issue of networks is still of interest in current Hanse historiography. However, the tone of the debate has somehow changed, and the concept itself is now mainly used in its obvious metaphorical sense rather than in a way allowing for further exploitation of its explanatory power. Describing the Hanse as a network would only repeat a self-evident fact. And to be clear, this is something we have never said. We have shown instead that the institutional arrangement found by the merchants of the Hanse for their commercial exchange can be described in terms of network organisation, and this particular finding then opens the floor for a further in-depth analysis of the institutional mechanisms which made the commercial exchange of Hansards work.

For the first time, this volume presents the different aspects of the medieval Hanse as a network organisation which we so far have presented to an international audience in separate working papers at international workshops and international conferences such as the *International Economic History Congress* 2006 in Helsinki, the *European Social Science History Conference* 2006 in Amsterdam, the *European Historical Economics Society Conferences* 2009 in Geneva and 2011 in Dublin and the *International Medieval Congress* in Leeds 2012. We are grateful to all those who helped to make this opportunity happen. This book intends to re-focus Hanse research on the issue of institutions and institutional arrangements of trade, on the interplay of these institutions and on its driving mechanisms as well as to re-connect the research into Hanseatic trade to the international debates in economics and economic history on incentive structures and the meaning of institutions in medieval trade.