



Trapped Within and Without: A Probe into the Causes of the Decline of the Hanseatic League

Zedong Zhang

Guizhou Normal University, School of History and Political Science, Guiyang 550000, Guizhou Province, China

Abstract: The rise of the Hanseatic League in the 13th century lasted for more than 400 years and had a profound impact on medieval European trade. The Hanseatic League was disbanded in 1669. There were many reasons for the decline of the Hanseatic League. First of all, the divided Germany could not provide support for the Hanseatic League. Secondly, the Hanseatic League, as the alliance of medieval commercial cities, also had the limitations of medieval cities. The organization of the Hanseatic League itself was relatively loose and did not achieve joint force. In the end, the opening of a new route and the formation of nation-states became the last straw that broke the camel's back. The Hanseatic League's commercial status declined, trade partners began to protect their own domestic market, and the Hanseatic League eventually fell. As the most representative commercial alliance in the Middle Ages, the Hanseatic League is of reference value for understanding the commercial trade in medieval Europe.

Keywords: Hanseatic League; Long-distance trade; Germany

Publication date: December, 2020

Publication online: 31 December, 2020

***Corresponding author:** Zedong Zhang, 951281790@qq.com

1 Chinese Library Classification Number: K504

The Hanseatic League was an alliance of commercial cities that was active in northern Germany from the 13th to the 17th century. It controlled the outlets of the Baltic Sea, controlled the Baltic Sea trade, developed long-distance trade that connected the

two business circles of the Baltic Sea and the Mediterranean Sea, and became the coachman between Western Europe and England. The Hanseatic League used its advantageous geographical location to develop trade and became one of the core areas of European trade in the Middle Ages, with its influence spreading across northern Europe. However, this flourishing commercial alliance, a huge city alliance that lasted for more than four hundred years, officially disintegrated in 1669. Naturally, the reasons for its decline were many, including changes in the external environment, as well as the problems of the city alliance itself.

2 The Divided Germany Could Not Provide Help for the Hanseatic League

Since the promulgation of the "Golden Bull", there had been many rivaling princes in Germany, and they had been divided for a long time. Tariffs were high among the city-states, and a unified domestic market had not been formed, and it cannot provide stable domestic demand for the Hanseatic League, making the Hanseatic League overly dependent on foreign markets. Objectively, Germany could not support the Hanseatic League. Subjectively, the emperor and the princes were still hostile to the cities and were unwilling to support the Hanseatic League which had cities as the main body.

2.1 The Special Environment of Germany Could Not Support the Development of the League

From the time when Otto I was crowned the Holy Roman Emperor by the Pope to Friedrich II of the Hohenstaufen dynasty, all successive emperors of Germany had made the conquest of Italy and

rebuilding the Roman Empire as their missions, especially Friedrich II. He was born in Italy and yearned for Italian culture since he was a child. After ascending the throne, he lived in Italy for a long time, dedicated himself to recovering Italy and accomplishing the “great mission” of the Holy Roman Emperor, as “the Germans have never been a people that care about practical interests”^[1]. Objectively speaking, Germany was different from Britain and France. What lies between the king and the city were the princes who also yielded local political, economic and military power as if they were minor kings, and the princes controlled the cities way more strongly than the British and French aristocrats. There were three kinds of cities in Germany, free city, imperial city and territorial city. The difference between free cities and imperial cities gradually became smaller and the free cities became the targets that the kings tried to win over, and territorial cities were even established under the authorization of princes. Most of the time, German cities had been a power attached to kings and princes. In the future, they would get rid of this status and strived for more power. Only then would they form the Hanseatic League, the Rhine League, and the Swabian League. How could such loose leagues shoulder the important task of accomplishing national reunification?

The Thirty Years’ War dealt a major blow to the Hanseatic League. The main battlefield of this war that spread across Europe was in the Germany. Saxony, Thuringia, and Upper Palatinate suffered huge destructions. 18,300 villages and 1,629 urban settlements were destroyed in Sweden alone.^{[2] (P505)} The Thirty Years’ War left the German countryside barren, followed by dysentery, typhus, smallpox, plague and famine.^{[3] (P114)} The lack of population, the foreign invasion of the German region, and the Thirty Years’ War had a huge impact on the exhaustion of national power and the trade of the Hanseatic League. The “Westphalia Peace Treaty” signed during the war affirmed the imperial election system and completely broken up Germany into nearly 300 states in the form of an international peace treaty, and the emperor was unable to achieve national reunification. The state of a divided country and its low international status rendered the Empire unable to fight for favorable terms on trading for the Hanseatic League. An empire that existed like a phantom cannot protect the interests of merchants, even if the king was willing

to do so.^{[4] (P120)} As a result of the Thirty Years' War, even a rebranded version of serfdom resurfaced in Germany, and domestic labor was again controlled by feudal landlords, the urban population decreased, and trade declined.

2.2 The Hostility of the Emperor and Princes Towards the Cities

For the emperor and the princes, the city was their opponents. It was different from the alliance between the British and French monarchs with the citizens to form a unified nation-state against the nobles. “The air of the city set people free”, as this popular saying in the medieval cities goes. “Confident scholars are invited into the city because the city can provide people with security, elegance, unity and freedom.”^{[5] (P65)} Europe in the Middle Ages was still dominated by feudal rule, and the oppression of the feudal lords could be seen everywhere. The free cities attracted oppressed peasants from all directions like cheese exuding fragrance. “The man who was previously not free gained freedom from his original lord after entering the city for a full year.”^{[6] (P481)} This kind of freedom was a strong attraction for the lower-class German laborers who had suffered from oppression. At that time, cities attracted a large number of laborers, and the overall birth rate in Europe was lower than the death rate^{[7] (P53)}. This meant that labor that was as expensive as gold in Europe swarmed into cities, and the land of feudal landlords was not cultivated. This made the cities as the opponents of the feudal landlords.

In the “Golden Bull” of 1356, Charles IV “not only does not recognize the citizenship, but also prohibits the establishment of any alliances and leagues between cities; it prohibits alliances between individuals or between individuals and cities unless they are under the ‘National Peace League’ established under his direct control”.^{[8] (P191)} By 1359, Charles IV further restricted the power of the cities and formulated the third comprehensive treaty, putting the city alliances (Städtebünde) under the direct control of the Imperial Court. In 1389, the “Universal Peace Covenant” which directly disintegrated the Swabian League was promulgated. “All regional groups should select representatives to work with the emperor to resolve all accusations of robbery, massacre, arson, and capturing etc., and execute punishments. All other alliances are

prohibited”, he said.^{[8] (P200)} Facing this situation, the various cities in the country put aside their hostility towards each other and formed an alliance to fight the emperor.

Facing the alliance, the emperor changed his policy, taking advantage of the instability of the city alliances and the different demands of the cities themselves to disintegrate the attacks. For example, in the imperial parliament, only the status and representation of imperial cities were recognized by the constitution, while other free cities were excluded. Coupled with the different stances between the cities, while the Swabian League resisted by force, Augsburg and Nuremberg wanted to maintain peace.^{[9] (P256)} This irresponsible and selfish behavior, coupled with the emperor’s so-called concessions, could easily cause the division of the city alliances, and at the same time disperse the cities’ power in the imperial assembly, rendering the influence of the alliances negligible.^{[8](P201)}

3 The Looseness of the Hanseatic League and the Difficulties Encountered by German Cities

The Hanseatic League was in the late Middle Ages, and its development was inevitably restricted by the times. The organizational structure of the League itself was relatively loose, with cities participating voluntarily. The League’s decision-making was made in the form of meetings, and the agreements that restrict the League’s members internally had no coercive force. The main body of the League was the cities. After experiencing the initial equality and freedom, class division had also started to appear in the cities, and the conflicts within the cities had begun to become prominent. The long-distance trade-based trading mode was not conducive to the formation of the domestic market and the improvement of productivity. These all lay hidden dangers for the division of the League.

3.1 The Hanseatic League was Loosely Organized

The Hanseatic League was a loose alliance of commercial cities. The purpose of each city to promote the alliance was to further develop trade, not to build a new country. The Hanseatic League was governed by the parliament, and it was set to meet every three years. Only the larger and influential cities could participate in the meetings, while other poor and small cities often participated in meetings

through the big cities associated with them, but they also had no voting rights. As there was no absolute subordinate relationship between the cities, the rules and regulations formulated by the parliament were not coercive. Although there were 70-80 cities in the Hanseatic League, less than half of the cities actually participated in the meetings. As time goes by, the enthusiasm of cities to participate in meetings decreased, and the frequency of meetings was getting lower and lower. A total of 12 meetings were held between 1400 and 1460, and only 7 were held between 1461 and 1550.^{[8] (P217-219)} The reduction in the number of meetings held shows a further decline in the cohesion of the Hanseatic League. Due to the decrease in the number of participating cities, the power of the League Assembly had been continuously concentrated, and the Lübeck City Council had gradually become the executive body of the League Assembly. Lübeck became a privileged city in the Hanseatic League.

At the end of the 14th century, the Hanseatic League became a powerful political alliance due to the victory over Denmark and the signing of the Stralsund Treaty. Lübeck’s privileges became more prominent. Cities that did not obey the League’s decisions were often expelled from the League. It caused dissatisfaction with other powerful cities in the Hanseatic League, such as Cologne, whose population far exceeded other cities.^{[10] (P39)} Cologne disobeyed the decision of the Lübeck-controlled parliament and was expelled from the League for 5 years, until Cologne succumbed. The existence of privileged cities such as Lübeck and other cities in the League deepened the frictions between the cities, the air in the cities was no longer free, and a crisis began to emerge within the League. The Hanseatic League was born of Germany, and its organization was also very loose, resembling the Holy Roman Empire.^{[11] (P165)} “At that time, the growth of industry and commerce in Britain and France promoted the integration of various interests in the whole country, thus leading to political centralization. In Germany, this process only took place around some local centers merging into many interest groups according to provinces, resulting in the promotion of political divisions.”^{[11] (P648)}

3.2 The Flaws of German Cities in the Middle Ages

Firstly, since the 15th century, German cities began to have different levels of stratification, and the

conflicts within the cities escalated. In the early stage of the city's establishment, most of the city's ruling power was in the hands of upper-class citizens such as wealthy businessmen and original nobles. With the progress of the guild revolution, small and medium-sized businessmen gradually gained control over the cities in the 14th and 15th centuries, and formed a unique civic culture. Every citizen took the initiative to assume civic responsibilities and believed that everyone was a part of the city. When encountering a foreign invasion, one must take up arms and fight hard^[12]. But in the middle ages when feudalism prevailed, feudalism was still the mainstream, and small and medium-sized businessmen who became administrators also became big businessmen. After the middle of the 15th century, the democratic freedom brought about by the guild revolution had gradually lost its influence. The position of mayor began to be controlled by the nobles for a long time, and some nobles also began to "turn the citizens into peasants"^[12]. The nobles who had controlled the power of the cities began to further exploit the lower class citizens, "use various methods to exploit other members of the city commune and the peasants who belong to the city. They even sold the privileges of the guild, the rights of lords, and the rights of citizens without authorization." Citizens' sense of identity with the city decreased, and the city's cohesion and external defenses decreased.

Secondly, the internal resistance in the city had intensified, and the stratification of citizens had caused the lower-level citizens to meet to further resist the upper-level citizens. It was not only the existing nobles who had further enhanced their control over the citizens. The high-end handicraftsmen also began to change. They did not continue to develop in the direction of craftsmanship but instead became merchants. They recruited a large number of apprentices not for the purpose of apprenticeship, but rather using the apprentices as cheap labor and began to exploit them. The apprentices began to hold negotiations with the master representatives, but because the master representatives had become the upper echelons of the urban society, the apprentices did not get to take any advantage and their demands were not satisfied. Due to the prolonged time of becoming a master, the number of apprentices becoming a master was decreasing, and the conflicts and confrontations between masters and apprentices

persisted for a long time in the city.

3.3 The Influences of Hanseatic League Long-distance Transshipment Trade

Firstly, the trading mode of the Hanseatic League was mainly based on long-distance transshipment trade, using its superior geographical location to make it an important place for transportation in the Northern Europe. At that time, Britain was just out of the preparation period before the Industrial Revolution. The demand for goods increased tremendously, and the increase in demand often meant business opportunities. At that time, Germany was in chaos and had low purchasing power. There were also the Rhine League and the Swabian League, and the domestic market was relatively competitive. Therefore, the Hanseatic League had been paying attention to foreign markets and neglecting domestic markets.^[14] From the perspective of these trades, the Hanseatic League merchants carried out foreign trade that did not rely on the domestic market. The Hanseatic cities themselves exported not many goods, and imported very few goods too. Goods from all over Europe were just a cutscene in the Hanseatic League, leaving only the money for the merchants to enjoy. They had not cared about the development of the agricultural industry in northern Germany where they were located. In addition, the conditions for industrial and agricultural development in northern Germany were very different from the commercial ones. The rural market around Hanseatic cities was narrow, and its environment was still mainly agricultural. The transition to industrialization had not yet begun.^{[3] (P69)} The unique geographical conditions also made the Hanseatic League more obsessed with long-distance trade, completely ignoring the use of trade convenience to develop its own industrial foundation.

Moreover, the trading mode of the Hanseatic League was foreign-oriented, which relied too much on the international market and was vulnerable to the influence of the situation of various countries, and was therefore unstable. The Hanseatic League had made huge profits, but this huge interest also contained instability. There was no stable domestic market, no government policy support, and its own agricultural industry was backward, which made the Hanseatic League face the possibility of untimely handling of coming political, economic, and military

crises, and the resulting shocks might lead to the decline of commercial centers.

4 Changes in the International Situation

The Hanseatic League was mainly focused on long-distance trade, which relied too much on foreign markets and was greatly affected by international trade patterns. With the opening of the new sailing route, the center of trade moved from the Mediterranean to the Atlantic coast. The Hanseatic League was hit hard. Meanwhile, nation-states began to be established, and various countries protected their domestic markets and formed tariff barriers. The trade of the League was further hit and became the last straw that crushed the camel.

4.1 The Opening of New Sailing Routes and the Shifts of Sailing Routes

“An important feature of the development of commerce in Europe during the transition from feudalism to capitalism is discontinuity.” It is manifested in the continuous shift of European business centers. The great geographical discoveries and the opening of new sailing routes in the late 15th and early 16th centuries shocked the whole of Europe. The commercial centers had also moved from the Mediterranean to the Atlantic. With the rise of new trading cities such as Paris and London, traditional trading centers would inevitably be hit. Especially for the Hanseatic League, the opening of new routes tolled the death knell for them. The disadvantaged location far from the Atlantic and the split of Germany finally led to the decline of the Hanseatic League.

4.2 The Influences of the Formation of Nation-States and Mercantilism

At the beginning of the 14th century, European countries began to establish nation-states one after another, and began to consciously safeguard their own trade. The economic privilege status acquired in the Middle Ages was vulnerable to the emerging nation-states. The impact of the lack of political status of the Hanseatic League was magnified, and countries withdrew their trade privileges. In 1363, King Albert of Sweden took back the island of Gotland, which had been governed by Sweden and Denmark in turns, and this hit the Hanseatic League. In 1397, Queen Margaret of Denmark forced the League to

give up direct control over Denmark, surrender the fortresses occupied by the League, and abolish the taxes imposed by the League, causing the League merchants to suffer huge losses in Danish waters; in 1478, Russia expelled the Hanseatic merchants; in 1485, King Henry VII of England established the “Merchant Explorer Company” to compete with the Hanseatic League ^[7]. The Hanseatic League began to struggle, and the number of members plummeted. Compared with other European countries' support and protection of their own trade, Germany could not safeguard the interests of the Hanseatic League, and could not use force and diplomatic means to open up markets in other countries. Conversely, at this time, the British East India Company and the West India Company took advantage of the privileges obtained from the country to monopolize overseas trade, and became world-renowned companies, which provided a powerful boost to the modernization of the United Kingdom. The complementarity between the country and the trading company can be seen from this.

In contrast to the British policy support, Germany is powerless to do so. The long-term turbulence within the country and the lack of state institutions had made the German princes and business owners concerned about the interests of their own states. The German emperor's attempt to establish a unified custom union also vanished amidst the opposition of the princes.

5 Conclusion

The development of the Hanseatic League did not contribute to the unification of the German nation-state. It just stayed content in the profit of long-distance trade. It did not further develop national enterprises, did not lay the foundation for the modernization of Germany, and never acknowledged the relationship between itself and Germany. It had become a relatively isolated city alliance, not paying attention to the domestic market and focusing all attention on the foreign market. In foreign markets, with the continuous establishment of European nation-states and alliances forged between kings and commercial cities, various countries had established trade barriers to maintain their own trade, and the Hanseatic League suffered a devastating blow. At that time, it was too late for the Hanseatic League to get help from Germany, and Germany was already

powerless to even fend for itself. The nation-states were not the only cause, but the problems within the Hanseatic League itself were also prominent. In addition to the influence of its own institutions, there was also the common problem of the German cities in the Middle Ages, that is, the inability to get rid of the brand of the times. The Middle Ages was still a feudal era, and feudal factors prevailed. There were too little soils to foster the so-called freedom. Even cities that claim to be free would divide themselves up in the later period, and free cities had become relatively free. The establishment of the Hanseatic League was the choice of the times, and its decline was also the choice of the times.

References

- [1] Chen Rui. Marxist Thoughts on German Nationality [J]. *Contemporary World & Socialism*, 2003(5).
- [2] C.V.Wedgwood: *The Thirty Years War*, Anchor Books, Doubleday company, Inc, New York, 1961: 505.
- [3] [USA] Douglass C. North, Robert Thomas. *The Rise of the Western World* [M]. Translated by LI Yi-ping, CAI Lei. Beijing: China Publishing House, 1989:114.69.
- [4] Kurt F. Reinhardt: *Germany 2000 Years*, Vol. 1, New York, 1982:120
- [5] [France] Jacques Le Goff. *The Town as an Agent of Civilisation 1200-1500* [A].[Italy] Carlo M. Cipolla. *The Fontana Economic History of Europe (Vol. 1): The Middle Ages* [C]. Beijing: The Commercial Press, 1988:65.
- [6] Zhao Wen-hong. *Urban Social Orders in Medieval Western Europe* [A]. SHI Zhi-sheng, XU Jian-xin. *The Hierarchy of Ancient Countries* [C]. Beijing: China Social Sciences Press, 2003:481.
- [7] [USA] Charles Tilly. *Coercion, Capital, and European States, AD 990-1992* [M]. Translated by YUAN Chuan-wei. Beijing: Peking University Press, 2011:53.242-243.
- [8] [USA] James W. Thompson. *Economic and Social History of Europe in the Later Middle Ages* [M]. Translated by XU Jia-ling. Beijing: The Commercial Press, 1992:217-219.
- [9] [Germany] Herbert Grundmann. *Handbuch der deutschen Geschichte: Frühzeit und Mittelalter: Band 1 (bis)* [M]. Translated by ZHANG Zai-yang et al. Beijing: The Commercial Press, 1999.
- [10] M.M. Postan: *The Cambridge Economic History of Europe*, Cambridge University Press, Vol3:39.
- [11] Guo Zhen-duo. *History of the Reformation* [M]. Zhengzhou: Henan University Press, 1989:165.648.
- [12] Qian Jin-fei. *Dilemmas faced by the late medieval German cities and their corresponding measures* [J]. *Journal of Yunnan University*, 2016 (3).
- [13] [Germany] Friedrich Engels. *The Peasant Wars in Germany* [M]. Compiled by the Compilation Bureau of Marx, Engels, Lenin and Stalin of the CPC Central Committee. Beijing: People's Publishing House, 1962:25-27.
- [14] Cao Ling-jun. *On the Rise and Fall of the Hanseatic League* [D]. Changsha: Hunan Normal University, 2001.