

The hanseatic league and the european union essay

[Business](#), [Decision Making](#)



On 25 March 2017, the European Union will celebrate the 60th anniversary of its existence. Nevertheless, the European Council and the presidents of the twenty seven member states are aware that it is not a perfect union. The Hanseatic League is probably the oldest trace of city alliances in Europe that actually started as a merchant's society in the Middle Ages.

The main interest of this work is to analyse this trade alliance from three different points of view to outline the similarities and differences in contrast to the European Union. To figure out about the initially mentioned question it is planned to start with the economic point of view in the first part. The second part will deal with the political aspects whilst the third part finally will get into the social facets with respect to the Hanseatic League, also called "Hanse". Therefore it is necessary to briefly define this merchants association to begin with. The Hanseatic League can be seen as a merchant league that spread " from England across Germany into the Baltic Sea and beyond" (McCarthy 2006, p 65), hence mainly the northern half of Europe.

Their development is by virtue of the conditions in die Middle Ages: There were only some emerging nation states such as England and France (McCarthy 2006) whereas Germany consisted in small communities and principalities ruled by noblemen or other sovereigns. Continental trade had to face many obstacles back then, such as different local moneys, tariffs, and laws. Thus, the merchant league can be seen as one solution to standardize exchange and develop an international commercial law (McCarthy 2006). Though there has never been an official document that had to be signed by the members the " Hanseatic traders" became Hanseatic Cities later on, and

built some kind of formal and international organisation (McCarthy 2006). 1
Economical Aspects From “ Hanse Traders” to Hanse Cities As already
mentioned, the Hanse was under the authority of merchants, who usually
were from upper classes.

They pursued common goals concerning business matters and worked
together in joined groups. In the beginning its unctioing was to provide
protection and make trade safer in foreign countries through building
alliances with other traders whereas the main motive of the European Union
was an economic cooperation between all member states (Vlaskamp 2009)
ever since the beginning. The representatives of the member states within
the organisation of the European Union become legally elected.

The membership is not related to a certain class. The common aims of the
Hansa? s merchants were the standardisation of exchange modalities and
the protection of the commercial privileges they gained due to the influence
they had on the field of politics. The European Union? s aim was to ease the
trade between the member countries by introducing common tariffs and
rules for goods and services. Important Accomplishments However, they
achieved the security of trade routes, introduced agents in the countries
they worked with who were in charge of sale and purchase on the spot. This
form of trading was an important commercial development.

The different cities became centres of trade which ended the till then
existing fair system. The merchants of the Hanse gained merchants’ rights
and privileges, as mentioned before, and even received royal protection for

some period of time. The Hanse Leagues organisation's structure " left many opportunities for the local hansatowns and hansas to pursue their own strategies of economic integration" (McCarthy 2006, p 65).

This economic integration was only realized by the hansatowns, their surrounding areas and their allies (McCarthy 2006). Thus the loss of the hanse character or attribute could have a great impact on a town. It could lose this character either by not using the privileges, by leaving it officially or by formal expulsion in the case of breaching the (trade) law. The latter developed especially under the Hanse Leagues influence. The Hanse was pretty much involved in the development of administrative issues and also gained a lot of influence in political processes. Trade and Cities With the time the Hanse strengthened its position up to a trade monopoly especially in the north of Europe though they had to face fierce competition from other countries such as Italy (McCarthy 2006).

The articles they traded with were mainly timber and wax fur from Russia; cloth from the Netherlands; fish, corn and butter from Denmark, wine and olives from southern Europe, beer, salt and glassware from Germany, manmade products from France and Italy and expensive spices from the Orient transported via Venice and Genoa (Etting 2007). The German traders had the main influence and control on the economic daily life. Two major types of towns could be distinguished.

One is the formal recognized hansatown such as Hamburg, Bremen, Lubeck, Cologne, Magdeburg in now Germany; Bergen in Norway; Danzig, Stettin

and Cracow and Torun in now Poland, Riga in now Latvia and Tallinn, Estonia. The other type is the non hanseatic town but with a connection to the Hanse League. Those were Amsterdam, Bruges and Ghent in the west; Copenhagen and Goteborg in the north; the Steelyard in London in the west, and Novgorod, Psokv and Vilna in the east. The most important hanseatic town due to its position at the Baltic Sea was Lubeck. It was of strategic importance as a hub between Novgorod in the east and all the other cities. Lubeck had the presiding over all the towns (McCarthy 2006). Economic Integration London, Bruges, Bergen and Novgorod had a great influence on the Hanse Leagues' commerce expansion by concentrating on international specialisation.

London was specialized on the trade with wool, were as Norway was concentrating on trade with fish. Merchandise from Russia was collected in Novgorod when Bruges was used as a reloading point for the Low Countries (McCarthy 2006). This was how cross-boarder trade was practiced for some centuries. This sort of specialisation refers to Adam Smiths division of labour that is limited by the extent of the market.

The Leagues' economical expansion widened the market and this grew the incentive to subdivide tasks and have people specialised in these separate tasks (McCarthy 2006). However, both, the Hanseatic League as well as the European Union have their background due to their economic values. With the time their focus changed and both economic alliances became more and more political (Vlaskamp 2009), which shall be discussed in the next section.

2 Political Aspects On the political level, the European Union and the Hanseatic League do present several resemblances that are going to be focused on as follows. The first one concerns the political power of the cities. The League was in fact a traders association in the beginning, as already mentioned. It was established to secure the exchanges between cities of the Baltic. Little by little, this trader's league became a league of free cities. At about XIIIth century, the power moved towards associations capable of working as entities which can unite one in the other one (du Bois 2010).

This allowed them to dominate until the XVIIth century with the contribution of several political or legal factors as the fact of having its own rights, its own foreign policy and a sort of parliament, called the " Hansetage". At present a similar sliding of the political power is in progress; in the north with the European construction and in the south, with the increase of importance of cities and regions. Indeed, today, the " idea which prevails is the one of the nearness (du Bois 2010). It means that the responsibility of a public action, when it is necessary, must be assigned to the smallest entity capable of resolving the problem. This is called the principle of subsidiarity. This assures a more effective governance. We do not count any more the projects of transnational associations between cities or between European regions. The best example is the one of the Baltic.

Indeed, faithful to the hanseatic idea, these cities of the Baltic began flexible groupings based on common specific interests. Since the beginning of 1990s, initiatives to tie in with the former links between the cities of the Baltic were

born. So, the Union of the cities of the Baltic promotes the exchange of experiences between cities and the sustainable development of the Baltic.

Also, the Organization of the Ports of the Baltic was created in the same year to favour the cooperation between these ports. The second similarity, concerns both, the legislative and the executive power. The traders stemming from Lubeck, from Westphalien and Saxon cities, elected four people called "former" that were in charge of dealing with all matters of justice and to represent the Hanseatic League abroad. The member cities made a commitment to respect the decisions of the so called "Hansetage", a general assembly of the cities which took place every three years. The European Union, in a different scale, has different elements. One is the European Council, which is the institutional organ that deals with legislative and budgetary matters.

Within the European Union; it shares some of its competences with the European Parliament subject to domains that require joint decisions. Another important EU institution is the Council of Ministers. It includes representatives from all member states. Its principle duty is to define the main trunk roads of the politics of the European Union (Bomberg, Cram, Martin 2005). The last considerable similarity is situated at the political military level.

Both institutions resorted to create an army. The NATO is a military alliance for the European and North American countries. It was founded in 1949 due to negotiations between five European countries that had signed the Treaty

of Brussels and the United States with Canada and five more western European countries that were not part of the EU back then. Regarding the Hanseatic League and the medieval period, every big city had the possibility to create its own army.

Nevertheless, the NATO army was created on a very different purpose than the hanseatic army. That shows the first difference on the political military level (Gouvernement francais 2010). Indeed, the major task of the NATO allies was to assure the security of the West after the Second World War. The Western partners of the Allied occupation wanted to make sure that the Germans would not again strive for imperialistic aims and they also wanted to set a force against the ambitions of the former Soviet Union to become a global power. In contrast the army of the Hanse was used to attack and knock down the actual power.

They gained diverse significant military victories such as over the Kingdom of Denmark that gave them the authority about this territory for a certain period of time (Rainer Postel 1996). It also guaranteed the League the virtual monopoly of the business between within the Baltic and Baltic Sea countries, to benefit from 15 % of the Danish business and to have also a right of veto on the succession to the throne of Denmark" (Postel 1996) after having declared war against the Danish King in 1368 (Vlaskamp 2009). This supported the Hanseatic League to gain an effective commercial as well as an effective political monopoly in Scandinavia. There is another difference concerning the legislative power. The Hanseatic League's general assembly of cities had a "consultative role" only. (Postel 1996).

The application of its decisions was left on good will of every city which however had to make its military and financial contribution to the association. The countries of the European Union have to respect the laws and the projects in the monetary and budgetary policy, faithfully. Social Aspects To discuss the topic it is helpful to repeat the main task. Is the Hanseatic League a catalyser of the European Union or an abusive cartel? Therefore it is necessary to regard the Hanseatic League as a trade alliance and compare it with the functioning of the European Union. This might lead to an answer concerning the question if it can be seen as the predecessor of the European Union. In fact and as mentioned before, there is no official document from the members of the Hanseatic League (Hospers 2004). Nevertheless, the majority of historians today agree that Europe consisted of a few hundred cities only during the Middle Ages (Dyer 2002).

The city of Lubeck was the first German city where the people understood the benefits of using and focusing on the sea to carry out trade. This Middle Ages alliance remarks the idea of a common market for the first time (Halliday 2009). If we do not regard the business and trade aspects of the Hanseatic League, you can say that it was a social alliance in the beginning. The German merchants that founded this league have thought that they could be stronger if they created an alliance with the cities on the edge of the Baltic sea.

The so called " Kontore" that were used in the auxiliary cities abroad were some kind of trading posts of the Hanseatic League. They were exclusively for the League's members (Stearns 2001) which can be seen as a positive

social aspect for its members but as a matter of segregation there is the negative impact for non-members who had no permission to benefit from those “Kontores”. Today there are three membership conditions called the “Copenhagen criteria” to receive the permission to join the European Union which lead to a difficult selection. They concern the functioning of the market economy, stable institutions to secure democracy and the ability to follow the aims of the European Union as an institution. For instance, Turkey wants to join the European Union to benefit from its structure but the European Council keeps dragging the discussions for some reason and makes them wait. Law and Justice On one side, the merchants were exempt from tax duties and assisted in their organisation (Hospers 2004). However, on the other side there were special rights.

One of them, called staple right, accorded to certain merchants to unload their products at the port (Hospers 2004). In the Middle Ages there was no division of powers but the rule of the survival of the fittest. The fact that the Hanseatic League consisted as an organisation with members, the term diplomacy arises for the first time (Daenell 1909). About the justice, the Hanseatic League introduced the position of a so called “elder”, a member who had to guarantee the rules and the law in trade issues.

Nowadays we could compare it with a kind of judge. As there was never any kind of contract, the organisation was rather informal, which means it had no legal basis. Today the European Court of Justice guarantees some kind of rules and the law principles in Europe for its member states. For the future,

the French economist Jacques Attali suggests to even introduce a “ world government “ and a “ world currency” (Attali 2006).

SecurityThe security was directed by the King of England. He guaranteed royal protection for League’s merchants. The security of Lubeck was managed by Duke Henry the Lion. He forced all cities of the Baltic Sea to trade with Lubeck. An alliance of cities provided more security for the merchants than acting by oneself (Gaffney 1950). Nowadays the security for employees is mainly provided by the trade unions which form an important weapon to fight for their rights and privileges facing their employers.

Social Image The Hanseatic League conveys an image of an organised union for the first time. Regarding the common goals of the European Union, there can be seen notorious discord when it comes to decision making. For instance between the head of states from France and Germany, Nicolas Sarkozy and Angela Merkel who argue about the issue of introducing retirements on an older age to solve financial problems (Bennhold 2010). The Hanseatic League was not only about economics but they also had a great impact on the society’s development.

The members understood the advantages to be in a powerful group. The Hanseatic League gave the first dynamism to a future European Union.

EducationWhen it used to be the church’s business to deal with educational matters, the merchants broke with this rule when they developed their own education system. Besides religious issues they found it necessary to teach specialised knowledge that dealt with trade issues to be more pragmatic. A

greater focus on sciences appeared and subjects like mathematics and geography were taught as well as trading techniques. This could be the reason why there are so many business schools all around the world today.

So it can be said as a consequence that the merchants of the Hanseatic League had an impact on both, the League's wealth and the society. For example there was a university in Rostock / Germany that was supported by the Hanseatic League (University of Rostock 2010). As mentioned before, the city councils of the Hanseatic League were formed by the upper social stratum (Blumenfeld-Kosinski 2010).

These days high education makes the future managers, human resource directors and a lot of other high responsibility positions. We will not enter the debate of elitism but it is very important to prepare the young people for the jobs that are important for our societies. Summarizing it can be stated that the Hanseatic League and the European Union are similar by the fact that they are focusing on the social benefits of its members. The concept of a single market is based on the agreement of all the members and is dependant on their interaction. This is why one can say that the Hanseatic League had a positive social impact on the future European Union.

Conclusion This text analyses in how far the Hanseatic League can be seen as a predecessor of the European Union also in how far it might have had an influence on its development.

For this purpose the history of the Hanseatic League has been explained while highlighting the major events and motives in the field of economic,

politics and society. First of all it can be stated that both organisations leading motive was the idea of a common market, but they had different approaches. While the European Economic Community clearly claims the common market as a goal that has to be achieved does the Hanseatic League do so as well, but without actually being aware of the fact that it is like this. The concept of having a single market is based on the interaction of member states, increasing their profits by relocating all economic factors within the area.

Nevertheless, does this concept not fit to the Hanseatic League, because it is not about states as such, but more in regard to individual political entities within several kingdoms. It was not about relocating the production as such, but creating big trade benefits. This leads to the conclusion that it can be argued that both institutions have the idea of free trade in common, but not the idea of a common market. Another difference can be observed in the different administration models.

Due to a treaty, signed by all the member states of the community all of them are bound to follow its content. So it is the treaties and intergovernmental agreements that set the guidelines for the action of the European Union (Vlaskamp 2009). Corresponding to the Treaty of Rome several supranational institutions as the European Commission were created, to guard and watch over the functioning of the organisation as such, to keep it running. In this model the different member states hand over power to the European Union as a "higher authority". To finally conclude this paper it can be agreed that the Hanseatic League was an innovative alliance, because it

pushed forward new ideas in the field of intercultural communication in Europe.

An answer to the question in how far the European Union would have been created as it can be found nowadays, if the Hanseatic League would not have been existed the way it did, is certainly hard to give.