

Edwards, Jeremy; Ogilvie, Sheilagh

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What Lessons for Economic Development Can We Draw from the Champagne Fairs?

Jeremy Edwards
Sheilagh Ogilvie

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Abstract

The medieval Champagne fairs are widely used to draw lessons about the institutional basis for long-distance impersonal exchange. This paper re-examines the causes of the outstanding success of the Champagne fairs in mediating international trade, the timing and causes of the fairs' decline, and the institutions for securing property rights and enforcing contracts at the fairs. It finds that contract enforcement at the fairs did not take the form of private-order or corporative mechanisms, but was provided by public institutions. More generally, the success and decline of the Champagne fairs depended crucially on the policies adopted by the public authorities.

JEL-Code: N430, N730, O170.

Keywords: legal system, medieval Europe, trade, private-order institutions, community responsibility system.

Jeremy Edwards
Faculty of Economics
University of Cambridge
Sidgwick Avenue

United Kingdom – Cambridge CB3 9DD
je12@econ.cam.ac.uk

Sheilagh Ogilvie
Faculty of Economics
University of Cambridge
Sidgwick Avenue

United Kingdom – Cambridge CB3 9DD
sco2@econ.cam.ac.uk

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1. Introduction

The Champagne fairs were a cycle of periodic trade fairs held annually from the twelfth century onwards. They took place six times a year and rotated among four towns – Bar-sur-Aube, Lagny, Provins and Troyes – located in the county of Champagne, a polity enjoying extensive internal autonomy until its incorporation into France in 1285. Each fair lasted for about six weeks, followed by a break for merchants to move on to the next fair, so the Champagne fair-cycle constituted an almost continuous market throughout the year, a notable advantage over most other medieval fairs.¹ Although merchants from many countries traded many goods at the Champagne fairs, the core business was the exchange of cloth and wool brought by Flemish and French traders for spices and luxuries brought by Italian and Provençal merchants. The Italian presence also fostered financial sophistication, and the fairs increasingly attracted international payment and exchange services. The Champagne fairs operated as the undisputed fulcrum of international exchange in Europe for much of the thirteenth century.

Their early success and international importance have made the Champagne fairs a standard-bearer of the medieval Commercial Revolution, from which many scholars draw lessons about the institutional basis for impersonal exchange and long-distance trade. Historians view the Champagne fairs as central to debates about the factors influencing commercial growth in medieval Europe.² Economists draw lessons from the medieval Champagne fairs for modern developing economies, some using them to urge the merits of private-order contract-enforcement and the unimportance of public legal mechanisms,³ while others claim that the fairs show that collective reprisals among corporative communities of businessmen can sustain impersonal exchange.⁴

The Champagne fairs thus play a central role in the analysis of the institutional foundations of market-based economic activity. So it is important to establish what the evidence shows about the causes of their success. The only full-length studies of the

¹ Bautier (1953), 113.

² Alengry (1915), 13-17, 72-84; Bautier (1953), 143-4; Bloch (1964), 86-7; Braudel (1979), 3:93; Braudel (1981), 419; Chapin (1937), 13; De Roover (1948), 11-12; Laurent (1935); Munro (2001), 14-16; Pirenne (1936), 100-03.

³ Milgrom, North and Weingast (1990).

⁴ Greif (2006a), 100, 315, 317, 333, 336.

fairs were carried out in the nineteenth and early twentieth centuries,⁵ and even the most recent empirical accounts date back to the 1970s.⁶ The time is thus ripe for a renewed examination of the historical evidence on these fairs and a critical assessment of any lessons they might hold for economic development.

2. The Ascendancy of the Fairs and ‘Generalized’ Institutional Provision

What explains the outstanding success of the Champagne fairs in attracting and mediating international trade in the medieval Commercial Revolution? Champagne had periodic fairs from at least the early twelfth century, although initially they enjoyed no international importance. Between 1137 and 1164, merchants from Flanders, Arras, and many parts of the kingdom of France began to attend fairs in Champagne, and by 1174 they had been joined by Italians.⁷ By 1190 Italian merchants were visiting Champagne in significant numbers and the annual cycle of six fairs was well established.⁸ On this basis, the beginning of the Champagne fairs’ European preeminence is usually taken to be about 1180. During the first half of the thirteenth century the volume and sophistication of business at the fairs increased as international merchants attended in ever greater numbers. At least until c. 1260, scholars are universally agreed that the Champagne fairs were in their ascendancy, both as an emporium for the trade in wares and as the ‘money-market of Europe’. How can this ascendancy be explained?

The policies of the counts of Champagne played a major role in the rise of the fairs. The counts had an interest in ensuring the success of the fairs, which brought in very significant revenues.⁹ These revenues in turn enabled the counts to consolidate their political position by rewarding allies and attracting powerful vassals.¹⁰ As a result, the counts were willing to provide various institutional mechanisms needed for the

⁵ Notably Bourquelot (1865); Huvelin (1897); Bassermann (1911); Laurent (1935); Chapin (1937).

⁶ New findings are presented in Bautier (1953), of which Bautier (1970) is a curtailed translation; Thomas (1977) presents new evidence on the declining, fourteenth-century fairs. Surveys based on secondary literature are provided by Verlinden (1965), 126-34; Schönfelder (1988); and Knights (1992).

⁷ Bautier (1953), 110-11; Laurent (1935), 49-50, 84-5, 96, 100-01.

⁸ Reynolds (1931), 380; Face (1957); Bautier (1953), 115; Laurent (1935), 86.

⁹ Bassermann (1911), 3; Bourquelot (1865), II:175-206.

¹⁰ Alengry (1915), 50-1. For examples, see Evergates (2010), 166, 169, 219-26, 237-8, 242-3, 250, 286.

successful operation of an international fair, and were able to avoid selling privileges to special interest-groups that would have limited trade.¹¹

The first institutional service provided by the counts of Champagne consisted of mechanisms for ensuring security of the persons and property rights of traders. The counts undertook early, focused and comprehensive action to ensure the safety of merchants travelling to and from the fairs, and were unusual among medieval fair-authorities in devoting considerable political and military resources to extending this guarantee beyond their territorial boundaries.¹² As early as 1148, when moneychangers from Vézelay were robbed on their way to the Provins fair by a French nobleman, Count Thibault II wrote to the regent of France demanding that the moneychangers be compensated and declaring, 'I will not let take place with impunity such an injury, which tends to nothing less than the ruin of my fairs'.¹³ In 1149, when another French nobleman seized the goods of merchants travelling to the Champagne fairs, the count wrote again to the French regent demanding justice, saying 'if you wish to chastise him and march against him with an army, let me know: I will assist you in extracting vengeance from him'.¹⁴ By the early thirteenth century, the counts were negotiating formal treaties from neighbouring princes to guarantee safe conduct to visitors to 'their' fairs – in 1209 with France, in 1220 with Burgundy, and in 1232 with Boulogne.¹⁵ Before mid-century, the counts were extending the geographical scope of the safe conduct as far afield as Italy. In 1242-3, when some Italian merchants travelling to the Champagne fairs were kidnapped and robbed in Italy by Piacenzans, the count of Champagne wrote to the Piacenzan authorities threatening to ban all Piacenzan merchants from his fairs unless the victims were compensated.¹⁶ As early as the 1170s, the counts had begun appointing special 'fair-wardens' with policing, regulatory and jurisdictional powers at the fairs, and by the mid-thirteenth century they had empowered these wardens to exert pressure on foreign jurisdictions to enforce the safe conduct of the fairs.¹⁷ In 1283-5, for instance, when a Artois toll-

¹¹ Chapin (1937).

¹² Bautier (1953), 117-18; Laurent (1935), 258-9.

¹³ Bourquelot (1865), I:32 324-5; Goldschmidt (1891), 229 n. 153.

¹⁴ Bourquelot (1865), I:324-5; Arbois de Jubainville and Pigeotte (1859-66), II:388.

¹⁵ Bourquelot (1865), I:174. See Evergates (2010), 47-51 (#18-22) for instances of enforcement dating from 1217.

¹⁶ Bourquelot (1865), I, 178-9.

¹⁷ Bourquelot (1865), I:180; Laurent (1935), 259, 295-7, 303-04.

keeper violated the safe conduct by imprisoning an Ypres merchant travelling to the Champagne fairs, the count's fair-wardens threatened to exclude all citizens of Artois from future fairs in retribution.¹⁸

The counts of Champagne also ensured that merchants were secure at the fairs themselves, enforcing property rights through their own law-courts (as we shall see), employing their own officials to police the streets, and cooperating with municipal and ecclesiastical officials to guarantee security in the fair-towns.¹⁹ Alengry argues that the creation by the 1170s of dedicated fair-wardens made an important contribution to the ascendancy of the fairs 'because the wardens were independent of the tyrannies and subjections of the local *prévôté*, since they depended solely on the sovereign'.²⁰

A second institutional service provided by the rulers of Champagne was contract-enforcement. The counts of Champagne operated a four-tiered system of public law-courts which judged lawsuits and officially witnessed contracts with a view to subsequent enforcement. The highest princely court in Champagne was the Jours de Troyes, a tribunal which judged important cases as a court of first instance and also heard appeals from lower courts. The second tier of the princely justice-system consisted of the courts of the four *baillis* (bailiffs) which judged cases involving high-status parties such as nobles, religious houses, and foreign merchants. The third tier consisted of the courts of the *prévôts* (provosts), numbering 54 in 1285, who as representatives of the prince rendered justice to commoners. The lowest tier of the princely justice-system consisted of village courts operated by *maires* (mayors), officials appointed by the *prévôt* to render justice to the inhabitants of each village. Towns, in contrast to villages, were subject to the direct jurisdiction of the local *bailli* or *prévôt*, unless they managed to obtain *commune* privileges. These entitled a town to have a mayor and 12 *échevins* (aldermen), appointed by the prince, with jurisdiction over cases involving urban inhabitants although also open to outsiders. After Champagne became part of France in 1285, the French crown retained this four-tiered

¹⁸ Laurent (1935), 295, 303-04.

¹⁹ Bourquelot (1839-40), I:119; Bourquelot (1865), II:20, 219-20; Laurent (1935), 279-80; Terrasse (2005), 228-32.

²⁰ Alengry (1915), 108.

structure of courts in the territory, but superimposed the Parlement de Paris as a final court of appeal.²¹

Cases involving foreign merchants could be adjudicated at most levels of this public legal system. For the most serious cases, according to Alengry, ‘the count as sovereign was directly employed in person in ensuring justice was rendered to visitors to the fairs who had suffered injury’.²² This long-standing princely provision of justice to visiting merchants, dating back to the twelfth century, was explicitly confirmed and extended in 1245 when the count granted Roman, Tuscan, Lombard and Provençal merchants frequenting the St Ayoul fair in Provins the privilege of being subject solely to the count’s own direct jurisdiction or (in his absence) to that of the count’s immediate deputy.²³

Less serious conflicts involving merchants at the fairs were judged by the princely *bailli* or *prévôt*.²⁴ At each fair a temporary wooden lodge was erected, from which the *prévôt* dispensed civil and criminal justice.²⁵ The first record of this lodge dates from 1176, when count Henri assigned to the churchwardens of St Quiriace ‘the wood from the lodges of the *prévôts* at the fairs’.²⁶ Further detail is provided by the Provins communal charter of 1252, which alluded to the lodges of the *prévôts* at the fairs and declared that ‘the merchants who come to the fairs shall be judged by us [the count] and our people: that is, by the fair-wardens, or by the *bailli*, or by a person whom he shall set in his place’.²⁷ A subsequent Provins charter of 1268 also mentions the lodges of the *prévôts* at the fairs, and confirms that ‘foreign merchants and our Jews shall remain within our protection and in our justice’.²⁸ A 1324 conflict between the royal *prévôt* and the abbot of Lagny over the fair jurisdiction confirmed the continued jurisdiction of the princely *prévôt* at the Champagne fairs into the fourteenth century.²⁹

²¹ Arbois de Jubainville and Pigeotte (1859-66), III:155-70; Arbois de Jubainville (1859), 4-17; Bourquelot (1839-40), I:210; Benton (1969), 281-3.

²² Alengry (1915), 110.

²³ Bourquelot (1865), 174.

²⁴ Arbois de Jubainville (1859), 22.

²⁵ Alengry (1915), 113; Terrasse (2005), 61, 78.

²⁶ Bourquelot (1865), II:20 n. 1; Arbois de Jubainville and Pigeotte (1859-66), III:235.

²⁷ Bourquelot (1839-40), II:409; Terrasse (2005), 45, 61.

²⁸ Bourquelot (1839-40), II:416; Terrasse (2005), 61, 78.

²⁹ Boutaric (1867), II:551 (#7394).

By the 1170s, as mentioned above, the counts of Champagne had supplemented ordinary public legal provision at the fairs by appointing special officials called fair-wardens (*gardes des foires*).³⁰ They were first recorded in 1174, when they were required to proclaim a regulation about weights and measures at the start of each fair.³¹ By the 1220s at latest, the fair-wardens were operating a continual court throughout the duration of each fair, at which merchants could register commercial contracts and unpaid creditors could bring complaints. The first recorded case of a merchant contract being witnessed by the fair-wardens dates from 1225, at which point the wardens were still using their own personal seals.³² At some periods, as in Provins in 1228, the same man was both fair-warden and princely *bailli*, and it is unclear in which capacity he was judging which cases.³³ By 1247, the fair-wardens were witnessing merchant contracts using an official fair seal.³⁴ In 1252, the fair-wardens were operating alongside the princely *baillis* in dispensing justice to foreign merchants at the Provins fairs.³⁵ Bautier argues that until c. 1260, the wardens' jurisdictional purview was still limited, since merchant contracts more frequently bore ecclesiastical than fair-wardens' seals.³⁶ However, merchants did not record all debts at the fairs using sealed contracts. Many sales, particularly of cloth, were made on short-term credit, which was recorded by money-changers or notaries, or simply agreed before witnesses.³⁷ Defaults on such debts could be referred to the fair-wardens even when the original contracts had not been sealed by the wardens.³⁸ By the 1260s, the fair-wardens possessed powers of confiscation, fining, and incarceration, and by the 1270s were declaring their mandate to ensure everywhere the fulfillment of any contract issued at the fairs, 'in the name of the count of Champagne'.³⁹

But public alternatives to the princely court system did exist, and this was another strength of contract enforcement at the Champagne fairs, since jurisdictional competition created incentives for courts to provide impartial judgments. For one

³⁰ Goldschmidt (1891), 229-30.

³¹ Arbois de Jubainville and Pigeotte (1859-66), III:235-6, 367; Bautier (1953), 118.

³² Bautier (1953), 118-19.

³³ Chapin (1937), 126.

³⁴ Bautier (1953), 118-19.

³⁵ Bourquelot (1839-40), II:409.

³⁶ Bautier (1953), 119, 122-3.

³⁷ Bautier (1953), 119-20.

³⁸ Bassermann (1911), 26-9.

³⁹ Bautier (1952), 320.

thing, three of the Champagne fair-towns (Provins, Bar-sur-Aube, and Troyes) had privileges as *communes* entitling them to operate municipal mayoral courts during this period.⁴⁰ Sometimes, as in Troyes in 1231 or Provins in 1270-9, the same man was both town mayor and princely fair-warden, and it is difficult to distinguish in which capacity he exercised jurisdiction in particular cases.⁴¹ The Provins charter of 1252 stated that merchants at the fairs were to be judged by the count and his officials, but left foreign traders the option of using municipal courts: ‘and if it pleases them to seek law in front of the mayor, the mayors have the liberty and power to do so ... and the fines from the foreign merchants shall go to the commune up to 20 *sols*, and the surplus shall be ours’. In apparent recognition of this joint jurisdiction, the 1252 charter stated that ‘the mayors and commune shall have, at the fairs of Provins, their lodge on the pavement alongside that of the *prévôt*’.⁴² The 1268 Provins charter also stated firmly that foreign merchants were under princely jurisdiction, but also gave them the option of bringing cases to the municipal jurisdiction, and confirmed that the lodge of the mayoral court at the fairs should be located beside that of the *prévôt*.⁴³

How effective were municipal courts in providing the impartial contract-enforcement necessary for international trade? The strongest evidence for their effectiveness is that long-distance merchants chose to use them. According to both Bourquelot and Bautier, municipal courts in Champagne did judge lawsuits at the fairs, and foreign merchants at the fairs sometimes voluntarily chose to use them even though princely courts were available.⁴⁴ In 1278, for instance, a Florentine merchant appeared before the Provins mayoral court declaring that he and his associates had received payment on a fair-debt.⁴⁵ Visiting merchants evidently used the municipal courts sufficiently often to increase their caseload since, as Bourquelot discovered, the Provins town accounts ‘abound in details concerning expenditures of the commune on the occasion of the fairs’, including the costs of carrying benches into the mayor’s judicial lodge.⁴⁶ Further evidence of the attractiveness of municipal courts to foreign merchants is

⁴⁰ In Bar-sur-Aube, c.1179-c.1260; in Provins, 1230-1335; in Troyes, 1230-1242. See Bourquelot (1865), II:19-20; Bautier (1952), 318-19; Arbois de Jubainville (1859), 18-30; Tardif (1855); Terrasse (2005), 45, 57, 61-3, 69-70, 77-9, 164, 215, 219, 232.

⁴¹ Chapin (1937), 126-33.

⁴² Bourquelot (1839-40), II:409.

⁴³ Bourquelot (1839-40), II:416.

⁴⁴ Bourquelot (1839-40), I:210; Bourquelot (1865), II:19-20; Bautier (1952), 318-19.

⁴⁵ Davidsohn (1896-1901), 30.

⁴⁶ Bourquelot (1865), II:20.

provided by repeated jurisdictional rivalries between town courts and the princely *prévôts* and fair-wardens, some serious enough to come to the Grand Jours de Troyes.⁴⁷ The mayoral courts held frequent sittings – sometimes as many as 46 sessions annually – and had strong incentives to offer attractive judicial services to foreign merchants since court fees were the communes' sole regular source of revenues.⁴⁸

The church provided an additional set of public law-courts offering contract enforcement to merchants at the fairs.⁴⁹ A charter of 1153 granted the Priory of St Ayoul high and low justice over the entire town and lordship of Provins for the first seven days of the annual autumn fair, suspending all other jurisdictions (both princely and municipal), and ordering the counts' officials to swear obedience to the priory during the seven days of its fair-jurisdiction.⁵⁰ The priory's tribunal, manned by a bailiff, his deputy, a public prosecutor, and a clerk of the court, held daily sittings in a chamber in the monastery buildings and was known for the swiftness of its judgments and the modesty of its fees. Superficially, this jurisdiction might seem unimportant, since it lasted only a week and excluded the fair's core sales period. But the commercial and judicial activities of the Champagne fairs operated continuously throughout the year, so the priory's tribunal could judge any business left over from previous fairs.⁵¹ Certainly, the priory's tribunal was popular among merchants and enjoyed such a volume of business that it customarily prolonged its sittings up to midnight on the final day of its jurisdiction, before the princely jurisdiction took over the next morning. The priory's jurisdiction at the Provins autumn fair was repeatedly confirmed by rulers of Champagne over the centuries.⁵²

A second ecclesiastical tribunal was provided by the abbey of St Pierre, which exercised jurisdiction during the three days of cloth-selling at the Lagny fairs held each January.⁵³ During these three days, the abbots' bailiff judged all conflicts

⁴⁷ Arbois de Jubainville and Pigeotte (1859-66), VI:104; Bourquelot (1865), I:210, II:196; Terrasse (2005), 45, 57, 61-3, 69-70, 77-9, 164, 192, 215, 219, 232.

⁴⁸ Terrasse (2005), 70, 211, 227.

⁴⁹ Goldschmidt (1891), 229-30; Bassermann (1911), 4-5; Davidsohn (1896-1901), 8-9; Bautier (1953), 123-4; Terrasse (2005), 78.

⁵⁰ Bourquelot (1839-40), I:117-19, 210, 408; Alengry (1915), 114.

⁵¹ Bautier (1953), 113.

⁵² Bourquelot (1839-40), I:117-19; Alengry (1915), 114.

⁵³ Bourquelot (1865), II:24-5; Alengry (1915), 113.

(including criminal ones) without right of appeal, so long as they were not reserved for the princely fair-wardens.⁵⁴ This church jurisdiction was of central importance, since the core business of each fair was conducted on its cloth-trading days. The abbey regarded its fair-jurisdiction as extremely important, conserved it jealously, and repeatedly engaged in jurisdictional conflicts with the princely *prévôt*.⁵⁵

Security and contract-enforcement may have been the most important institutional services provided by the counts of Champagne – or devolved to municipal or ecclesiastical institutions – to support the fairs. But they were not the only ones. The counts also provided infrastructure, loan guarantees, and constraints on local merchants' privileges, all of which contributed to the fairs' success.

The counts made major contributions, both directly and indirectly, to commercial infrastructure for merchants visiting the fairs. The counts erected fortifications around the fair towns and roads connecting them, and built canals from the Seine into the fair-town of Troyes.⁵⁶ The Hôtel-Dieu was founded in Provins around 1157-60 by the count to expand accommodation for visiting merchants.⁵⁷ By granting concessions on market dues, the counts mobilized other organizations, especially ecclesiastical ones, to provide infrastructure for merchants in the form of accommodation, warehousing, and selling space.⁵⁸ The counts also encouraged investment in fair infrastructure, Terrasse argues, by granting burghers free rights to transact in real property, as shown by numerous private transactions in property in the fair-zones as early as the twelfth century.⁵⁹

The counts further facilitated the development of the fairs as money markets by guaranteeing the security of loans merchants made at the fairs to creditors from whom obtaining payment might be difficult because of high status or privileged legal position. In 1221, for instance, the countess of Flanders and Hainaut borrowed a large sum at the Champagne fairs, and a condition of the loan was that the count of Champagne would ban Flemish and Hainaut merchants from his fairs if the countess

⁵⁴ Bourquelot (1865), II:24-5.

⁵⁵ Boutaric (1867), II:440 (#6764), 551 (#7394).

⁵⁶ Bourquelot (1865), I:62, 311; Bautier (1953), 108-12; Alengry (1915), 54.

⁵⁷ Bautier (1953), 112.

⁵⁸ Bautier (1953), 116.

⁵⁹ Terrasse (2005), 23-5.

of Flanders failed to repay.⁶⁰ In 1224-5, a group of Sienese merchants at the Champagne fairs refused to lend 3000 livres to an abbey without a guarantee from the count.⁶¹ The period between 1210 and 1250 saw numerous loans issued at the Champagne fairs by foreign merchants to princes, nobles and religious houses in which the count of Champagne used his political power to guarantee repayment.⁶²

A final reason for the success of the Champagne fair-cycle was that it offered an almost continuous market for merchandise and financial services throughout the year, like a great trading city, but without the most severe disadvantage of medieval cities – special privileges for locals that discriminated against foreign merchants.⁶³ As Alengry points out, had the Champagne fair-towns had strong communal privileges favouring a local patriciate of rich commercial families, ‘the clientele of the Champagne fairs would certainly not have benefited: the comital authorities were independent because they were disinterested from any business rivalry, by contrast with townsmen who, whether or not they were local merchants, were competitors against the fair-clientele’.⁶⁴ This lack of discrimination in favour of locals arose partly from the fact that the four Champagne fair-towns were not great centres of international trade before the fairs arose, and thus did not have powerful groups of indigenous merchants lobbying for privileges.⁶⁵ But it was also caused by the fact that the counts of Champagne refrained from granting such privileges even once the fairs began to operate as continuous international markets. Bourquelot and Alengry ascribe this policy to the general weakness of ‘communal’ privileges in the Champagne region, especially compared to neighbouring France.⁶⁶ But such weakness was surely endogenous, and Chapin probably gets closer to the truth by pointing out that the fairs made the counts wealthy, freeing them from the need to sell privileges to the fair-towns and their elites.⁶⁷ For whatever reason, at least under the counts the Champagne fairs offered the unique combination of a continuous international trading forum with

⁶⁰ Bourquelot (1865), I:194.

⁶¹ Arbois de Jubainville and Pigeotte (1859-66), V:221.

⁶² Bassermann (1911), 55; Arbois de Jubainville and Pigeotte (1859-66), V:136-7, 143, 169, 171-2, 177, 221, 260, 458; Evergates (2010), 107, 110, 111, 135, 136, 267.

⁶³ Alengry (1915), 39.

⁶⁴ Alengry (1915), 37.

⁶⁵ Terrasse (2005), 30, 110, 136, 232.

⁶⁶ Bourquelot (1865), 197-212.

⁶⁷ Chapin (1937).

no institutional discrimination for or against any group of merchants – although this policy changed under the kings of France, as we shall see shortly.

The ascendancy of the Champagne fairs was thus strongly favoured by the policies of the political authorities. The counts of Champagne provide a vivid example of the importance of the political authorities in providing the minimal requirements for market-based economic activity to flourish. They guaranteed security, property rights and contract enforcement, they built infrastructure, they regulated weights and measures, they supported foreign merchant lenders against politically powerful debtors, and they provided a level playing field between foreign merchants and locals. The distinguishing characteristic of all these institutional services was that the counts provided them not as *particularized* privileges granted to specific merchant guilds or communities, but rather as *generalized* institutional guarantees issued ‘to all merchants, merchandise, and all manner of persons coming to the fair’.⁶⁸ They were then maintained and extended by a princely ruler in the interests of protecting ‘his fairs’ as a piece of property that delivered a valuable stream of revenues.

3. The Decline of the Fairs and ‘Particularized’ Institutional Provision

If the Champagne fairs enjoyed this fortunate combination of institutional services, then why did they ultimately lose their ascendancy over international trade in medieval Europe? Examining the decline of the Champagne fairs casts further light on the sources of their earlier success.

A first issue relates to the timing of the fairs’ decline. Bautier argued that the fairs began to decline as merchandise markets soon after the middle of the thirteenth century, while retaining their role as money markets until the early fourteenth century.⁶⁹ Much conventional wisdom follows this assessment, so it is important to examine its empirical basis.⁷⁰ Bautier bases his conclusion about the timing of decline solely on two documents of 1262 and 1320 which show Italian merchants obtaining funds at the Champagne fairs for cloth purchases actually undertaken in Flemish and

⁶⁸ Alengry (1915), 38. For a detailed discussion of ‘particularized’ and ‘generalized’ institutional provision, see Ogilvie (2005).

⁶⁹ Bautier (1953), 135-6.

⁷⁰ Verlinden (1965), 133; Reyerson (2000), 68; Terrasse (2005), 72, 136.

French textile centres rather than at the fairs. From this he concludes that by 1262 the fairs had already begun to decline as merchandise markets.⁷¹

But these Italians' visits to textile centres in 1262 can only be interpreted as evidence of decline if we have evidence that Italian merchants frequenting the fairs had never visited textile centres in the pre-1262 period. There is no such evidence: what we observe in 1262 may have been standard practice. Furthermore, Bautier's conclusion does not take account of the fact that in 1262 Flemish merchants had decided not to visit the fairs because they had been maltreated by the customs collector at Bapaume, the toll-station they were legally obliged to pass on their way to Champagne.⁷² Italian merchants could well have been purchasing cloth directly in Flanders in 1262 in response to this temporary Flemish boycott, rather than because the fairs were already in decline as merchandise markets.

By contrast, Bautier's two documents reveal clear differences between 1262 and 1320. In 1262, the Italian merchants buying cloth in textile centres were still bringing it to the Champagne fairs before shipping it to Italy. This suggests that in the 1260s the Italian merchants still treated the fairs as their main base for the cloth trade even when they obtained the cloth in other places. In 1320, by contrast, the cloth purchased was neither bought at the Champagne fairs nor dispatched from them; only the finance was arranged there.⁷³ If Bautier's two documents show anything, therefore, it is not that decline had already started in 1262, but that it intervened sometime between then and 1320.

Additional evidence casts doubt on the idea that by the 1260s the merchandising operations at the fairs were in decline and only the financial business survived. For one thing, this claim would imply that merchants attending the fairs after 1260 were specialist financiers with little interest in merchandise trade. But Bassermann shows that 'almost all the Italian firms – with the exception of the Romans – which played a decisive role on the money-market [at the Champagne fairs] were also present in the

⁷¹ Bautier (1953), 133-5.

⁷² Bourquelot (1865), I:195; Boutaric (1867), I:50 (#559); Finot (1894), 26-7, 179-86.

⁷³ Bautier (1953), 133-5.

merchandise trade'.⁷⁴ Sayous, too, notes that the Italians who frequented the Champagne fairs traded in both merchandise and money rather than specializing in one or the other.⁷⁵ Blomquist reaches a similar conclusion for the Lucchese at the fairs.⁷⁶ In the absence of specialization in financial business by Italians at the fairs between 1260 and 1320, it is difficult to see how the merchandise trade could have declined from 1260 onwards while the fairs remained a prosperous international financial market.

Notarial documents from Genoa and Marseilles, moreover, reveal a diametrically opposite trajectory in the merchandise trade at the Champagne fairs. Doehaerd's study of Genoese notarial registers finds that the merchandise trade between Genoa and the fairs shows a marked recrudescence starting around 1250; she concludes that it remained lively until at least 1300.⁷⁷ Face's study of notarial documents from Genoa and Marseilles shows a 'truly huge scale participation of the merchants from the northern Italian cities in the caravan trade with Champagne throughout the last three quarters of the thirteenth century'. He concludes that 'while it would ... be erroneous to assume that these Italians played no part in the fair trade prior to the second quarter of that century, our evidence does indicate that their activity was much more intensive from that time forward'.⁷⁸ Notarial archives thus show the merchandise trade to the Champagne fairs from Italy and Provence increasing, not decreasing, after c. 1250.

Additional evidence inconsistent with the notion of a declining merchandise trade at the fairs after 1260 is provided by the fact that Montpellier, the most important Provençal town trading with the fairs, continued to negotiate treaties with seigneurs on the Rhone river to clear a path for its merchants to ship merchandise to the Champagne fairs, signing a treaty to that effect with the count of Valence and the seigneurs of Montelimar in 1265.⁷⁹ As late as 1295, Italian merchants requested an extension of the period during which Flemish merchants displayed their cloths at the

⁷⁴ Bassermann (1911), 87-8.

⁷⁵ Sayous (1932), 20.

⁷⁶ Blomquist (1985), 523.

⁷⁷ Doehaerd (1941), 212, 216.

⁷⁸ Face (1957), 170.

⁷⁹ Alengry (1915), 152.

Champagne fairs, from three to four days; Bassermann interprets this as indicating an increased volume of cloth-trade between Flemish and Italian merchants at the fairs.⁸⁰

So if the fairs continued to flourish as merchandise and money markets long after the 1260s, when did they begin to decline? A quantitative indication is provided by Bourquelot's figures on the tax yield of the fairs, shown in Table 1. The only fair for which a pre-1275 figure is available, that of Bar-sur-Aube, shows revenues doubling between 1212 and the 1270s, slightly declining in the 1280s, recovering to a peak in 1296, and then falling off sharply from 1298 onwards. The four fairs of Troyes and Provins largely mirror this pattern, with healthy revenues in 1275, decline (in Troyes) or stagnation (in Provins) in the 1280s, a remarkable highpoint in 1296, and a precipitous fall from 1298 on. The combined revenues of all five fairs (excluding sparsely documented Lagny) show rising revenues up to 1296, followed by catastrophic decline.

Bautier acknowledges that Bourquelot's figures show 1296 to have been the absolute high-point of the fairs, but seeks to cast doubt on their reliability by claiming that they include only the direct yield of the fairs, neglecting revenues from sealing fair-debts, whose increase, he argues, 'must have almost compensated for the (possibly desired) diminution of the [direct yield]'.⁸¹ But as Lefèvre pointed out, the period between the 1280s and the 1320s saw a decline in the fairs' commercial revenues (rentals on halls, stalls and hostels, plus seigneurial dues on the fair-trade) and a rise in their administrative revenues (forfeits and fines, sealing and default fees); he interprets 'the expensiveness of the seal as a particular index of decadence' for the fairs.⁸² Furthermore, figures on sealing revenues, assembled in Table 2, show Bautier's arithmetic to be unfounded. Sealing revenues were minor before 1290, and even at their peak around 1320 were insufficient to bring total revenues of any fair up to its pre-1298 level.

⁸⁰ Bassermann (1911), 21.

⁸¹ Bautier (1942-3), 169 n. 3.

⁸² Lefèvre (1858), 445-6; Alengry (1915), 203.

Table 1:
Total Yield of the Taxes Levied at the Champagne Fairs, c. 1275-1341 (in livres tournois)

| Date | St Jean ('hot') fair in Troyes | St Remy ('cold') fair in Troyes | St Ayoul fair in Provins | May fair in Provins | Fair of Lagny-sur-Marne | Fair of Bar-sur-Aube | Total for five fairs ^a |
|--|--------------------------------|---------------------------------|--------------------------|---------------------|-------------------------|----------------------|-----------------------------------|
| 1212 | - | - | - | - | - | 1000 | - |
| c. 1275 | 1300 | 700 | 1000 ^b | 800 | - | 2000 | 5800 |
| 1285 | - | - | - | 810 | - | 1680 | - |
| 1287 | 800 ^c | 550 | 925 | - | - | - | - |
| 1288 | 790 | 480 | - | 990 | - | - | - |
| 1296 ^d | 1376 | 1386 ^e | 1554 | 1926 ^f | 1814 | 2141 ^g | 8383 |
| 1298-9 | 760 | 620 | 100 | 640 | - | 1200 | 3320 |
| c. 1310 | 300 | 60 | 450 ^h | 250 | - | 700 | 1760 |
| 1320 | 250 | 290 | - | 218 ⁱ | - | - | - |
| 1323 | - | - | - | - | - | 705 | - |
| 1340-1 | 180 ^j | 177 ^k | 155 | - ^l | 360 | 280 ^m | 1152 |
| unspecified date before tax innovations of 1292-6 ⁿ | 800-900 | 160 | 1000-1100 | 800-900 | - | 1600-1800 | 4360-4860 |

Source: Bourquelot (1867), II: 199 with note 1, except Provins May fair 1320. Lefèvre (1858), 446, reports slightly different figures (see notes).

Notes

^a For 1275, 1296, 1298-9, 1310, and unknown date before tax rise, excluded fair is Lagny; for 1340-1 it is Provins May fair.

^b Lefèvre (1858), 446, reports 1000-1053.

^c Lefèvre (1858), 446, reports 1084.

^d Figures for this year have been rounded to the nearest full *livre*.

^e Lefèvre (1858), 446, reports 1368.

^f Lefèvre (1858), 446, reports 1225.

^g Lefèvre (1858), 446, reports 1140.

^h Lefèvre (1858), 446, reports 400.

ⁱ Terrasse (2005), 256 n. 407.

^j Lefèvre (1858), 446, reports 517, probably by including sealing-fees.

^k Lefèvre (1858), 446, reports 480, probably by including sealing-fees.

^l Lefèvre (1858), 446, reports 360, as does Alengry (1915), 86.

^m Lefèvre (1858), 446, reports 596, probably by including sealing-fees.

ⁿ Source is document written c. 1310 comparing fair yield in that year with unknown previous period 'before merchants repairing to the fairs of Champagne heard anyone speak of the *denier* in the *livre*, or the quarter-*denier* of brokerage, or the *maletouste*'. These new taxes were introduced in 1292-6 (see Bourquelot (1865), II: 192-3).

Table 2:
Total Yield of the Sealing Fees Levied at the Champagne Fairs, 1285-1341 (in livres
tournois)^a

| Date | St Jean fair in Troyes | St Remy fair in Troyes | St Ayoul fair in Provins | May fair in Provins | Fair of Lagny-sur-Marne | Fair of Bar-sur-Aube |
|----------------------|------------------------|------------------------|--------------------------|---------------------|-------------------------|----------------------|
| 1285 | - | - | - | - | 40 | 67 |
| 1287 | 56 | 63 | 55 | - | - | - |
| 1288 | 67 | 86 | 66 | - | - | - |
| 1319-20 ^b | 466 | 16 | 313 | 495 | - | 426 |
| 1340-1 | 319 | 290 | 209 | - | - | 310 |

Source: Bourquelot (1867), II: 199. Lefèvre (1858), 446, reports additional figures but without dates.

Notes

^a Figures have been rounded to nearest *livre*.

^b According to Bourquelot (1865), II: 195, 'It is in 1320 that the yield is much the highest; I do not know what circumstance explains this remarkable fact since, in 1320, the decline of the fairs had already begun'.

Bourquelot's figures on fair revenues thus remain a defensible indicator of economic activity at the Champagne fairs, and strongly suggest that decline did not set in until the later 1290s. At least one fair (that of Bar-sur-Aube) had a trade volume twice as high in the 1275-96 period as in the early thirteenth century, and all the fairs saw reasonably stable trade volumes in the 1275-96 period followed by an irreversible downturn after 1298. Furthermore, these quantitative findings from the fairs themselves are consistent with four other quantitative sources. The first is the analysis of Italian and Provençal notarial registers, discussed earlier, showing that the merchandise trade to the Champagne fairs increased in the second half of the thirteenth century. The second is the yield of the Bapaume toll-station that Flemish goods were required to pass on their way to the fairs, which suggest that up to at least the early 1290s, 'the volume of economic value traded from Flanders to France and vice versa was growing', but that from 1297 onward it was characterized by a declining trend, sometimes involving complete stoppages which lasted for several years, together with rising instability reflected in a growing reluctance by private toll-farmers to pay to lease the toll-station.⁸³ The third is the volume of merchandise passing the toll-station at Villeneuve near Chillon on Lake Geneva, one of the

⁸³ Finot (1894), 56-63; Laurent (1935), 124-6; Schulte (1900), 164.

principal routes for Italian wares coming to the Champagne fairs, which fell from 17.2 bales per day in 1286 to only 11.6 bales per day for the 1022 days following 30 November 1294.⁸⁴ A final quantitative indication is the hostel-rent paid by German merchants to the fair-authorities for the St Remy fair in Troyes, which was 35 livres in 1285, 70 livres in 1286, but only 10 livres in 1320.⁸⁵

The quantitative findings are also consistent with qualitative evidence reflecting a contemporary perception in the period 1310-15 that the Champagne fairs had recently declined. A document dated c. 1310 points out how severely the tax yield of the Champagne fairs had fallen compared to a period before the existence of certain named taxes which we know from outside evidence to have been introduced in 1292-6.⁸⁶ In a document dated c. 1315-22, the Champagne fair-wardens and French merchants propose reforms that might halt the fairs' serious decline.⁸⁷ Together, these various quantitative and qualitative sources support the view that trade at the Champagne fairs was rising up to 1296, but underwent a severe decline thereafter.

Why did the Champagne fairs decline? Bautier advances two main explanations. First, he argues that gold began to replace silver as the basis of international trade at the end of the thirteenth century, causing fluctuations in these metals' relative value and harmful repercussions for money-changing and foreign exchange at the Champagne fairs.⁸⁸ But as Munro points out, the significant fluctuations in the relative values of gold and silver occurred too late to explain the decline of the Champagne fairs. The value of gold relative to silver peaked in 1330-2 and then fell sharply as a result of sudden increases in Sudanese and Hungarian gold supplies on western European markets.⁸⁹ Fluctuations in the relative value of gold and silver cannot explain why the decline of the fairs had become marked by 1315.

⁸⁴ Own calculations, based on Schulte (1900), 164-5. Lacking disaggregated figures for the 1022 days following 30 November 1294, we cannot judge when the worst decline occurred, and thus whether 1297 was the key date for this southern trade as it was for the trade from Flanders.

⁸⁵ Schulte (1900), 165-6.

⁸⁶ Bourquelot (1865), II:199 with n. 1.

⁸⁷ Bourquelot (1865), II:306; Thomas (1977), 438.

⁸⁸ Bautier (1953), 143-4.

⁸⁹ Munro (2001), 419.

Bautier's second explanation for the fairs' decline is the development of cloth production in Italy. Italians had purchased cloth from Flanders and other northwest European industrial centres at the Champagne fairs until the end of the thirteenth century, Bautier argues, but from the beginning of the fourteenth century Italy itself began to produce cloth for export, and Milanese and Florentine cloth producers competed successfully with the Flemish, so Italian merchants no longer needed to go to the Champagne fairs for cloth.⁹⁰ But as Munro points out, the key changes in Italian textile production date only from the 1320s, too late to explain a decline of the Champagne fairs by 1315, let alone by Bautier's favoured date of 1260.⁹¹

Why, then, were the Champagne fairs still flourishing as markets for merchandise and finance as late as the mid-1290s but in serious decline by c. 1315? The answer resides in a reversal of the very factors that had favoured the fairs' ascendancy in the twelfth and thirteenth centuries – the policies pursued by the public authorities. Until 1285, Champagne was ruled by the counts of Champagne who, although formally vassals of France, in practice administered the county internally with virtual autonomy.⁹² In 1274, the last count died and his minor daughter was betrothed to the son of the French king, whose majority in 1285 saw the annexation of Champagne to France.⁹³ The new French King, Philip IV, was ambitious to centralize the French monarchy and expand its military and fiscal capacities. The tactics he used – war with Flanders, despoiling and excluding Flemish merchants, arresting and taxing Italian merchants, and barring exports of raw wool and undyed cloth from France – all affected trade at the Champagne fairs within 15 years of their coming under French governance. Conflicts between France and Flanders restricted the ability of Flemish merchants to attend the fairs, confiscatory taxation and incarceration encumbered and deterred Italian merchants from operating in France, and prohibitions on the export of wool and woollen cloth reduced the attractiveness of the fairs to all.

Bautier recognized that the Franco-Flemish conflicts at the end of the thirteenth century damaged the Champagne fairs, but gave two reasons for concluding that they were not the main cause of the fairs' decline. One was his claim that the fairs had

⁹⁰ Bautier (1953), 143.

⁹¹ Munro (2001), 419-24.

⁹² Alengry (1915), 48, 66, 68.

⁹³ Bautier (1953), 118.

begun to decline as a market for international trade in merchandise from 1260, so the restrictions on Flemish cloth-merchants' ability to attend the fairs from 1297 onwards cannot have played a major role in the business of the fairs.⁹⁴ But, as we have shown, Bautier's premise that trade in merchandise began to decline from 1260 cannot be sustained: the merchandise trade at the Champagne fairs continued to thrive until at least the 1290s.

Bautier's second reason to reject the role of the war is his contention that as early as 1294 Flemish cloth comprised only 20 per cent of the value of cloth sold at the fairs, and hence restrictions on Flemish merchants cannot have had a major impact.⁹⁵ The figure of 20 per cent comes from Bautier's analysis of cloth purchased at the fairs by a single Sienese company in 1294.⁹⁶ Closer analysis of this document, however, reveals Bautier's calculations to be misleading. Bautier excludes cloth from Douai, Lille and Orchies, but in 1294 these three towns were Flemish, not French: they were surrendered to France in 1305 by the Treaty of Athis-sur-Orge which ended the Franco-Flemish war of 1302-05. Hence cloth purchased from these three towns must be included when calculating the proportion originating from Flanders in 1294. This recalculation shows that Flemish cloth comprised 40 per cent of the value of cloth purchased at the Champagne fairs by this Sienese firm in 1294. The exclusion from the fairs at various points from 1297 onwards of a group of merchants that provided two-fifths of the value of cloth sold in 1294 must have had a major adverse impact on the attractiveness of the fairs to other merchants.

The only two reasons for rejecting the Franco-Flemish conflicts as a cause of the fairs' decline are thus not convincing. By contrast, the positive evidence in favour of this thesis is striking. The conflicts between France and Flanders began in 1297 as a consequence of an alliance between Flanders and England against France, and almost immediately had a direct impact on the Champagne fairs. On 2 January 1297, at the opening of the Lagny fair (the first in the annual Champagne cycle), French royal officials arrested all Flemish merchants, confiscated their goods, and sold the merchandise to profit the royal exchequer. Although Flemish merchants

⁹⁴ Bautier (1953), 140-2.

⁹⁵ Bautier (1953), 141.

⁹⁶ Bautier (1947), 91-2.

understandably stayed away from the five ensuing Champagne fairs of 1297, the French crown confiscated all the wares Flemish merchants had contracted to buy at those fairs, all letters of credit payable to Flemish merchants, and even the halls and hostels owned by Flemish merchants in the fair-towns. The resulting losses of the Flemish town of Ypres in that year alone were estimated at over 26,000 livres. Flemish merchants who were unable to make promised payments at the fairs because their goods had been confiscated were then penalized with a fair-ban, prohibiting them from visiting the fairs until they paid their debts. Flemish merchandise was also seized in other parts of France.⁹⁷ Laurent describes 1297 as ‘the black year of Franco-Flemish commercial relations ... [which] announced all the vicissitudes of the ensuing century’.⁹⁸ This is strikingly consistent with the figures in Table 1, which show the fair-revenues declining precipitously after 1296.

France invaded Flanders in 1297, and in October 1297 a truce was arranged, which permitted normal commercial relations to resume, but only very briefly. Philip IV of France wished to assert his rights as sovereign lord of Flanders, so when the truce expired in January 1300, a French army overran the part of Flanders that had remained under the control of the count of Flanders. This occupation led to the Flemish revolt of 1302 and the Franco-Flemish war of 1302-5, which again severely interrupted Franco-Flemish trade.⁹⁹ This war was ended by the Treaty of Athis-sur-Orge in which, among other provisions, Flanders was returned to the count of Flanders in exchange for Béthune, Douai, Lille and Orchies being held by Philip IV until the count paid a large annual rent for the county of Rethel. But the terms of this treaty could not be enforced, and by the Treaty of Pontoise in 1312 the towns held by France were ceded to it altogether, in exchange for cancellation of the rent owed by the count of Flanders for Rethel. France thus acquired two great Flemish towns and most of French-speaking Flanders. Grievances remained, however, and fighting broke out again in 1314. In 1315 the new King of France, Louis X, again expelled all Flemings from France and assembled an army against Flanders. The consequence of the various Franco-Flemish conflicts from 1297 to 1315 for Flemish trade at the Champagne fairs is described by Laurent as follows: ‘by 1315 Flanders was cut into two ... instead of being the avenue

⁹⁷ Laurent (1935), 121-3; Bautier (1953), 61.

⁹⁸ Laurent (1935), 122.

⁹⁹ Strayer (1980), 331-6.

that led to the Champagne fairs, French-speaking Flanders was henceforth the barrier which prevented access to them.’¹⁰⁰

The attractiveness of the Champagne fairs to their other major clientele, the Italian merchants, was also gradually diminished by French royal policy. In 1274 and 1277, before Champagne became part of France, the French king had arrested all ‘Lombard’ (north Italian) merchants trading in France and only released them after extorting heavy tax-payments.¹⁰¹ By 1291, when the French king again deployed this fiscal tactic, Champagne had become part of France so that Italian merchants trading at the Champagne fairs were directly affected.¹⁰² The French authorities only freed Italian merchants and permitted them to continue trading in France (including Champagne) when they agreed to pay large sums to the royal exchequer as a sort of ransom.¹⁰³ One Italian victim of this arbitrary royal attack wrote in 1291 to a correspondent in England, ‘We have been and we are strongly tormented when we think of the difficult situation and damage which can result from this event for our merchandise, our capital, and what we possess in Flanders and in Champagne.’¹⁰⁴ It seems likely that these adverse policy shifts on the part of the French crown lay behind Lombard merchants’ 1295 offer of money to the count of Flanders in return for permission to establish headquarters in Ghent and conduct wholesale commerce in Flanders, shifting their trade away from the Champagne fairs.¹⁰⁵ Over the years after the 1291 arrests – in 1292, 1295, 1297, 1303, and 1311 – Italian merchants were repeatedly obliged to make substantial payments to the French crown as the price of being allowed to continue trading in French territory.¹⁰⁶

Italian merchants’ incentives to avoid French territory intensified from 1303 onwards, when Philip IV imposed a prohibition on the export of wool and cloth from France. Since the twelfth century, merchants from Florence and other Italian towns had bought raw wool and unfinished cloth in France, to be finished in Florence and then re-exported. This competition from the Florentine wool-finishing industry led to pressure

¹⁰⁰ Laurent (1935), 150.

¹⁰¹ Boutaric (1867), I:179 (#1948E), 180 (#1970), 195 (#2110); Laurent (1935), 118.

¹⁰² Schulte (1900), 344-5; Alengry (1915), 75-6.

¹⁰³ Laurent (1935), 118.

¹⁰⁴ Alengry (1915), 75.

¹⁰⁵ Bourquelot (1865), I:186.

¹⁰⁶ Strayer (1969), 115-17; Laurent (1935), 119-20; Alengry (1915), 74-5.

from French producers to ban the export of raw wool, unfinished woollen cloth, and even the raw materials for dyeing, culminating in the royal export prohibition in 1303, which remained in force until 1360, apart from the single year of 1315.¹⁰⁷ In the early fourteenth century, therefore, the policies of the French state not only restricted the supply of Flemish cloth to the fairs but also prevented the Italian demand for raw wool and cloths at the fairs from being met. Since the cloth trade was a central component of economic activity at the Champagne fairs, these restrictions severely affected the prosperity of the fairs, and thus explain why they were in serious decline by 1315.

The decline of the Champagne fairs that had set in by 1310-15 resulted, as noted above, in a set of proposals for reform presented to the king of France around 1315-22, and from then on the French crown enacted repeated ordinances in attempts to revive the fairs.¹⁰⁸ But these policies failed, not least because they continued to mandate export restrictions on wool, a key component of the fairs' trade during their ascendancy. If the Italians could not obtain the indispensable English wool at the Champagne fairs, they would go elsewhere for it – to Flanders or to England itself – and that is what they did.¹⁰⁹ The last important group of Italian merchants left the fairs in 1350, after which the Champagne fairs retained only regional significance.¹¹⁰

A further reason the decline of the fairs that had begun by 1315 proved to be irreversible was, in Munro's graphic phrase, the 'spreading stain' of warfare in Europe which greatly increased the costs of overland trade.¹¹¹ The resumption of the Guelph-Ghibelline wars in Italy from 1313 to 1343 greatly increased risks on the overland route from Genoa to the Champagne fairs, as shown by the declaration of a non-Genoese Italian merchant before a Genoese notary in 1327 explaining why he had been compelled to remain for so long in the city.¹¹² Civil war broke out in Flanders between 1323 and 1328, and the Hundred Years War (a civil war over the French throne) began in 1337. These military events meant that European overland trade contracted dramatically during the fourteenth century. The final demise of the Champagne fairs in the mid-fourteenth century cannot, therefore, be attributed wholly

¹⁰⁷ Bourquelot (1865), I, 212-4; Schulte (1900), 346.

¹⁰⁸ Bourquelot (1865), II, 308-9.

¹⁰⁹ Schulte (1900), 346-8.

¹¹⁰ Bautier (1953), 137.

¹¹¹ Munro (2001), 14.

¹¹² Doehaerd (1941), 227.

to foreign military ventures and domestic protectionism on the part of the French royal government. But this does not alter the fact that the fairs' initial decline around 1300 was due to decisions by the French crown which hampered or altogether prevented participation in the fairs by both major components of its clientele – the Flemish and the Italians – and that none of the regulations subsequently introduced by the French state removed this fundamental obstacle to the fairs' recovery.

The reasons for the decline of the Champagne fairs from the late thirteenth century onwards are thus the obverse of the reasons for its preceding success. The French regime that took over the fairs after 1285 ceased, bit by bit, to provide the generalized institutional mechanisms that had attracted and sustained international trade. Security of property rights, contract enforcement, and access to commercial infrastructure were no longer guaranteed as generalized institutional services but rather became particularized 'privileges' offered (and denied) in order to serve the short-term interests of French royal policy. The public authorities no longer offered a level playing-field to all merchants – domestic or foreign, allied or non-allied – but rather granted privileges that favoured particular interest-groups and discriminated against others. International trade at the Champagne fairs fell victim to this shift from generalized to particularized institutional provision.

4. The Champagne Fairs and Private-Order Contract Enforcement

What implications do these findings have for the lessons some economists have drawn from the Champagne fairs concerning the institutional basis for impersonal exchange and market-based economic development? The most influential economic precept derived from the fairs is the idea, advanced in 1990 by Milgrom, North and Weingast, that private-order contract enforcement is sufficient to support international trade and that a public legal system is not required. Milgrom, North and Weingast argue that the Champagne fairs fostered international trade through private-order courts in which private judges kept records of traders' behaviour. Before agreeing any deal, merchants would ask a private judge about the reputation of their potential trading partner. By communicating reputational status of traders on demand, the private judges enabled merchants to boycott those who had previously defaulted on contracts. The private judges also are also supposed to have levied fines for misconduct, which merchants

voluntarily paid because non-payment meant losing all future trade at the Champagne fairs. This combination of private judges and individual merchants' reputations created incentives for all merchants to fulfill contractual obligations, it is argued, even though state enforcement was absent and repeated interactions between trading partners were rare. From this portrayal of the Champagne fairs, Milgrom, North and Weingast conclude that international trade expanded in medieval Europe through merchants developing 'their own private code of laws', employing private judges to apply these laws, and deploying private-order sanctions against offenders – all 'without the benefit of state enforcement of contracts'.¹¹³

This view of the Champagne fairs is widely accepted by economists, sociologists, legal theorists, and policy-makers, and is used to underpin far-reaching conclusions about the institutional basis for exchange in modern economies. Dixit instances private judges providing enforcement to merchant 'customers' at the Champagne fairs as an example of a well-functioning 'private government'.¹¹⁴ Davidson and Weersink use the Champagne fairs to specify the conditions necessary for markets to function in developing economies without adequate state enforcement.¹¹⁵ Swedberg places this portrayal of private courts at the centre of his view of medieval merchant law as 'laying the legal foundations for modern capitalism'.¹¹⁶ Richman agrees that private judges at the Champagne fairs show how 'coordination among a merchant community can support multilateral exchange without relying on state-sponsored courts'.¹¹⁷ The central role played by the Champagne fairs in social scientists' understanding of contract enforcement in modern economies makes it important to be sure that it is accurate.

The argument advanced by Milgrom, North and Weingast depends crucially on the absence of public contract enforcement. If the Champagne fairs had possessed public authorities capable of penalizing defaulting merchants, then to deter opportunism merchants would not have needed to incur the costs of imposing collective boycotts or

¹¹³ Milgrom / North / Weingast (1990), 2 (quotation), 10, 20, and passim.

¹¹⁴ Dixit (2004), 12-13, 47-8, 98-9.

¹¹⁵ Davidson and Weersink (1998), 565-6.

¹¹⁶ Swedberg (2003), 12-13.

¹¹⁷ Richman (2004), 2334-5 with n. 15.

transmitting information about the past behaviour of other merchants. Did the Champagne fairs indeed lack public authorities and legal contract enforcement?

The answer is no. As we have seen, the ascendancy of the Champagne fairs as the major fulcrum of international trade in thirteenth-century Europe was sustained by a comprehensive system of public contract-enforcement. The counts of Champagne provided a state legal system which secured property rights and commercial contracts for visiting merchants at multiple levels. Its incentive to provide good services to visiting merchants was enhanced by the competition offered by two other components of the public legal system – the municipal courts of the fair-towns and the ecclesiastical tribunals of local religious houses. In addition, the counts of Champagne set up special public tribunals at the fairs in which contracts could be judged and enforced by princely fair-wardens.

The fair-wardens, counter to their description by Milgrom, North and Weingast as ‘private judges’, were officials appointed by the counts of Champagne (after 1285 by the kings of France), and their jurisdiction derived from that princely jurisdiction.¹¹⁸ The fair-wardens’ courts were also part of the princely legal system by virtue of litigants’ right to appeal against their judgments to higher state courts – the Jours de Troyes and, after 1285, the Parlement de Paris.¹¹⁹ In 1287, for instance, several burghers of Châlons-sur-Marne appealed to the Parlement de Paris against a seizure of cloths mandated by the Champagne fair-wardens.¹²⁰ In 1296, the city of Milan appealed to the Parlement de Paris against a fair-ban imposed by the wardens.¹²¹ In 1306, a Genoese merchant appealed to the Parlement de Paris against a decision of the fair-wardens dismissing his demand for payment from another Italian merchant.¹²² In 1310, a merchant sentenced by the Champagne fair-wardens to pay a fair-debt appealed first to the Jours de Troyes and when that failed to the Parlement de Paris.¹²³ The fair-wardens’ courts were thus fully integrated into the princely legal system.

¹¹⁸ Bloch (1964), 86; Alengry (1915), 108; Bart (2000), 18.

¹¹⁹ Bassermann (1911), 3; Alengry (1915), 116-17.

¹²⁰ Boutaric (1867), I:252 (#2596).

¹²¹ Laurent (1935), 297 with n. 1.

¹²² Boutaric (1867), II:31 (#3297).

¹²³ Boutaric (1867), II:80 (#3843).

Municipal courts in the Champagne fair-towns provided a second set of tribunals for merchants at the fairs. These town courts were integrated into the public legal system in multiple ways, since they were based on devolved jurisdictional rights granted by the prince, their judges often also held princely office, and litigants were entitled to appeal to princely courts. Town courts evidently offered an attractive alternative to the prince court system since, as we have seen, foreign merchants visiting the fairs voluntarily used them, arousing jurisdictional rivalry between the communes and princely *prévôts*.

Municipal jurisdictions *outside* Champagne also contributed to enforcing fair-contracts, since foreign merchants brought disputes to the courts of their own and their debtors' home cities. In 1230, for instance, a conflict over a debt incurred by Cambrai merchants with Bologna merchants at the Provins fair in 1213 was resolved before the local court of the archbishop of Cambrai, advised by municipal councillors attesting to the authenticity of the seal on the contract.¹²⁴ In 1279, a conflict over an unpaid fair-debt between Florentine and Piacenzan merchants was referred to 'the *Potestà*, Captain, and council of the commune of Florence'.¹²⁵ In 1292 a group of Florentine merchants enforced payment of a fair-debt from a Venetian merchant in 1291 by mobilizing their own municipal jurisdiction to put pressure on the Venetian city-court.¹²⁶ In 1294, the French king guaranteed Flemish merchants of the 'Seventeen Towns' frequenting the fairs the right to appeal to their own municipal jurisdictions.¹²⁷ In 1312, a Bolognese merchant pursued a fair-debt from a Florentine creditor through his own municipal jurisdiction and then the town court of Florence.¹²⁸ Revealed preference suggests that Italian and Flemish merchants regarded municipal jurisdictions, both in the fair-towns and in each other's home towns, as an effective way of enforcing international trading contracts.

The church offered a further source of public contract enforcement to merchants at the Champagne fairs. The fair-tribunals operated by local religious houses were integrated into the public legal system, through their basis in jurisdictional rights granted in

¹²⁴ Carolus-Barré (1965), 26-7.

¹²⁵ Berti (1857), 247-50.

¹²⁶ Bassermann (1911), 58.

¹²⁷ Bourquelot (1865), I:137.

¹²⁸ Bassermann (1911), 57-8.

princely charters and their manning partly by princely officials. Ecclesiastical tribunals also offered contract-enforcement to foreign merchants visiting the Champagne fairs in a wider, European forum. In principle, the medieval church exercised a jurisdiction which transcended territorial and linguistic frontiers, was recognized by temporal authorities throughout Christendom, and disposed of enviable moral suasion and a far-flung network of personnel. Ecclesiastical jurisdictions were thus in a position to compete effectively with princely and municipal tribunals in enforcing international trading contracts. Until the 1270s, according to Bautier, merchants visiting the Champagne fairs were more likely to have commercial contracts sealed in church tribunals than by the fair-wardens.¹²⁹ This meant that any ensuing dispute over that contract would be referred to a church court. Appeals against the decision of a church court were referred to the Pope, who would delegate final judgment to an important cleric in Champagne, such as the dean of Bar or the prior of Saint-Ayoul in Provins. The requirement to settle a fair-debt was usually accompanied by a sentence of papal interdict or excommunication in the event of further default.¹³⁰ The princely legal system itself recognized the importance of ecclesiastical jurisdictions in providing contract enforcement to long-distance merchants, as shown by the demands sent abroad by the Champagne fair-wardens pursuing defaulting debtors, which were explicitly addressed ‘to all justices, as much of the church as secular ones, who see these present letters’.¹³¹

The Champagne fairs thus clearly possessed public authorities with the willingness and capacity to provide contract-enforcement to international merchants, not only by witnessing and sealing commercial agreements but by adjudicating conflicts and enforcing compliance. This is not to deny any role for informal, reputation-based contract-enforcement mechanisms. Informal mechanisms are ubiquitous in all economies, and it is unlikely that they were absent from the Champagne fairs. But there were no private judges. Public courts with coercive powers were omnipresent at the Champagne fairs and played an important role in contract enforcement among merchants. The view that long-distance trade expanded in medieval Europe based

¹²⁹ Bautier (1952), 318-20; Bassermann (1911), 4-5; Verlinden (1965), 128, 132.

¹³⁰ Goldschmidt (1891), 233; Bourquelot (1865), I:182ff; Bautier (1953), 123 with n. 1.

¹³¹ Berti (1857), 256-7.

solely on reputational mechanisms and private judges receives no support from the institutional arrangements at the Champagne fairs.

5. The Champagne Fairs and the 'Community Responsibility System'

The medieval Champagne fairs have also been mobilized in support of a second lesson for developing economies – the idea, advanced by Greif, that collective reprisals between corporative groups of businessmen can support impersonal exchange.¹³² In this portrayal, courts with coercive powers did exist in medieval Europe, but were controlled by local interests which prevented them from protecting foreign merchants' property rights or enforcing contracts impartially. According to Greif, the 'community responsibility system' stepped into the breach by providing incentives for local courts to supply impartial justice. If a member of one community defaulted on a contract with a member of another, and the defaulter's local court did not provide compensation, the injured party's local court would impose collective reprisals on all members of the defaulter's community, incarcerating them and seizing their property to secure compensation. The defaulter's community could only avoid such sanctions by ceasing to trade with the injured party's community. If this prospect was too costly, the defaulter's community had an incentive to provide impartial justice.

Greif claims that this combination of corporative justice and collective reprisals provided the institutional basis for international exchange in the early centuries of the Commercial Revolution, and that the Champagne fairs provide a prime example of the 'community responsibility system' in operation. He makes two main arguments concerning this second claim. The first is that the Champagne fairs did not have a legal system with jurisdiction over visiting merchants. The fair authorities, he claims, 'relinquished legal rights over the merchants once they were there. An individual was subject to the laws of his community – represented by a consul – not the laws of the locality in which a fair was held.'¹³³ His second argument is that the fair-wardens enforced merchant contracts by excluding defaulting debtors and all their compatriots

¹³² Greif (2002), Greif (2006a), Greif (2006b).

¹³³ Greif (2006a), 227

from the fairs.¹³⁴ This threat of collective reprisals, he argues, made merchants' communal courts force defaulters to fulfill their contracts.

But is it true that the Champagne fair authorities relinquished legal rights over visiting merchants and permitted them to be subject solely to the laws of their own communities?¹³⁵ It is not. Merchants from a wide array of different European cities and territories were frequenting the Champagne fairs by the 1180s at latest, as we have seen. For the ensuing sixty years or more, all visiting merchants were subject to the public legal system – princely, municipal, and ecclesiastical – prevailing at the fairs. It was not until 1245 that the count of Champagne issued a charter stating that

those Roman, Tuscan, Lombard and Provençal merchants who would like to dwell in his [the count's] house in the lower town of Provins at the St Ayoul fairs are granted all liberty for their persons and goods, such that no-one may lay hand on any of them, unless in such a fashion as is entailed by law and the customs of the fairs, and except for the payment of regular dues on buying and selling; he [the count] dispenses them from responding, outside the compound of the house, to the fair-wardens and to the *bailli*, submitting them uniquely to his own justice or, in case of his absence, to the governor charged with replacing him.¹³⁶

The count thus exempted this subset of visiting merchants from judgment by his *bailli* and fair-wardens, but only by bringing them under his direct jurisdiction. He neither relinquished legal rights over them nor subjected them to the laws of their own communities.

Around the same time, particular groups of Italian and Provençal merchants frequenting the fairs began to appoint consuls, some of whom later came to exercise jurisdiction over disputes between members of that particular group of merchants. The first reference to any foreign merchant consul at the Champagne fairs was for the Sienese in 1246.¹³⁷ Consuls for another fifteen Italian cities whose merchants frequented the Champagne fairs were mentioned in the course of the second half of the

¹³⁴ Greif (2002), 185.

¹³⁵ Greif (2006a), 227

¹³⁶ Bourquelot (1865), 174.

¹³⁷ Bautier (1953), 126.

thirteenth century.¹³⁸ From 1278 dates the first reference to a ‘universitas’ (joint association) of merchants from a number of different Italian cities frequenting the fairs.¹³⁹ The year 1245 also saw the first reference to a consul from Montpellier, who initially had jurisdiction only over merchants from that city. A document of 1258 indicates that the Montpellier consul was extending his jurisdiction to merchants from other Provençal towns trading at the Champagne fairs, and one from 1290 provides a list of Provençal towns whose members formed a ‘universitas’ under a ‘capitaneus’ (captain) who exercised jurisdiction over them.¹⁴⁰ From 1258, there is also a lone reference to an organization of Aragonese merchants frequenting the fairs, although no evidence that it exercised jurisdiction.¹⁴¹

Merchants from other European cities and territories, by contrast, did not have consular organizations at the Champagne fairs.¹⁴² The Flemish urban federation known as the ‘Seventeen Towns’, mentioned in a handful of documents relating to the Champagne fairs, is a shadowy organization whose membership and activities are largely unknown, but scholars agree that it was very loosely organized, lacking elections, officials, or leadership at the fairs.¹⁴³ German merchants frequented the fairs in the second half of the thirteenth century, but were not recognized as a community until 1294, and even then with no jurisdiction.¹⁴⁴ The most detailed study of the nationalities frequenting the fairs lists merchants from many parts of France (until 1285 territorially distinct from Champagne), Flanders, Brabant, Hainaut, Germany, Savoy, Switzerland, England, Scotland, and even Sweden – none of them with consuls or community jurisdictions.¹⁴⁵

In summary, only a minority of merchants at the fairs – the Italians and the Provençals – ever appointed consuls, and these did so only after 1245, sixty years after they had begun to trade at the fairs. Among those consuls, only some enjoyed jurisdictional

¹³⁸ Bautier (1953), 126, claims that ‘already prior to the mid-13th century ... the Italians had installed a consulate for each of their trading colonies at the fairs’, but on p. 127 n. 3 more accurately states that fifteen other Italian cities recorded consuls in the second half of the thirteenth century.

¹³⁹ Bautier (1953), 130.

¹⁴⁰ Bourquelot (1865), I:151, 154 n. 9, 174. Bautier (1953), 132.

¹⁴¹ Bautier (1953), 130.

¹⁴² Bautier (1953), 128.

¹⁴³ Laurent (1935), 86-95; Bautier (1953), 128-30; Carolus-Barré (1965), 26-7.

¹⁴⁴ Bourquelot (1865), I:199-201; Schönfelder (1988), 21.

¹⁴⁵ Bourquelot (1865), I:139-40, 145, 155-9, 168, 196-204, II:24-5, 211-29.

powers immediately; others developed them only gradually or not at all. Those consular jurisdictions that did exist at the fairs could only be used to resolve conflicts within a particular community, not between members and outsiders. Even then, having a consul at the fairs did not exempt merchants from the jurisdiction of the count of Champagne or, after 1285, the king of France. Most importantly, the majority of merchants – including key groups such as the Flemish – never had their own community jurisdictions at the Champagne fairs.

What about the second argument, that contract enforcement at the Champagne fairs was supported by community-based collective reprisals? It is true that after 1260 the princely fair-wardens used a procedure against defaulting debtors that could culminate in collective reprisals. If a debt incurred at a fair was not repaid at the agreed time, the debtor was prosecuted in one of the various public courts available at the fairs provided he was still in Champagne. If he had left Champagne, his creditor could ask the princely fair-wardens to write to the authorities in the town where he was currently located, asking them to compel payment by either seizing his goods or sending him back to appear before the wardens. If the foreign authorities did not comply, the fair-wardens could be asked to send further letters reiterating the request. After at least three letters, the fair-wardens could threaten the foreign authorities with a fair-ban excluding its merchants from future fairs and declaring their goods and bodies forfeit to repay the debt. Even at this stage, the foreign authorities could delay the ban by appearing before the fair-wardens and explaining why they could not enforce repayment. The foreign authorities could also appeal to higher courts – the Jours de Troyes or the Parlement of Paris – against any fair-ban.¹⁴⁶

But these collective reprisals were not community-based. They were part of the formal, public legal system. Merchant communities at the Champagne fairs played no role in requesting or imposing fair-bans. Most merchants were not even subject to community pressure at the fairs, since as already discussed consular jurisdictions at the fairs arose only after 1245, and even then only for a few groups of merchants. Even in merchants' home cities, the town government rather than the merchant guild was seen as the relevant authority for enforcing contracts: in 1294, for example, when the

¹⁴⁶ Laurent (1935), 283-96; Bautier (1953), 123-6.

Champagne fair-sergeants delivered a request for prosecution of a defaulting Sieneese merchant to the guild consuls in Siena, ‘the consuls immediately returned it to the sergeant, telling him to carry it to the *Podestà* [chief town magistrate] because, they said, he was greater and had more power’.¹⁴⁷ A merchant trading at the fairs sometimes asked his own political authorities back home to impose a collective reprisal, but this involved penalties on his debtor’s compatriots in the home polity of the creditor, not at the Champagne fairs.¹⁴⁸ Community-based reprisals at the fairs themselves were specifically outlawed, since one of the security guarantees the counts of Champagne granted to merchants attending the fairs was freedom from all reprisals except for those initiated by the fair-wardens as comital officials.

Far from being based on community jurisdiction, collective reprisals at the fairs were based on *princely* jurisdiction and were thoroughly embedded in public legal procedures. A fair-ban could only be imposed by the public authorities of Champagne – i.e., by the princely fair-wardens, supported on appeal by the Jours de Troyes and after 1285 by the Parlement de Paris. Contrary to the claim that the Champagne fair authorities relinquished legal rights over merchants attending the fairs, the princely fair-wardens explicitly claimed that they had authority over fair-debtors even when such merchants had left Champagne, claiming in a letter of 1295, for example, that ‘these customs [of the fairs] supersede all other customs of all territories’.¹⁴⁹ The elaborate legal procedures which had to be followed before a fair-ban could even be threatened indicate both how deeply the reprisal system was embedded in the formal legal system, and how reluctant the Champagne authorities were actually to impose it, conscious that the risk of reprisals could easily discourage international trade rather than promote it.¹⁵⁰

When a fair-ban was declared, it was imposed not on the merchants of a debtor’s *community*, but rather on the merchants subject to a *justice-system* which had failed to enforce a fair-debt. This is nicely illustrated by a case of 1299-1300, in which the Champagne fair-wardens requested the lord mayor of London to arrest a Florentine merchant for a debt of 1,600 *livres tournois* owed at the Champagne fairs to a

¹⁴⁷ Zdekauer (1896), 354-9. We thank Mathieu Arnoux for bringing this case to our attention.

¹⁴⁸ Bassermann (1911), 57-8.

¹⁴⁹ Laurent (1935), 284.

¹⁵⁰ Huvelin (1897), 430; Planitz (1919), 97, 168-90; Laurent (1935), 283-96.

merchant of Prato. When the London mayor replied that he had heard the Florentine merchant's account and concluded that no debt was owed, the fair-wardens responded by threatening a fair-ban, not against merchants of Florence as the 'community' of which the debtor was indisputably a member, but rather against merchants of London, as the justice-system which had refused to render legal remedy for a fair-debt.¹⁵¹

The effectiveness of the Champagne fair-ban in enforcing contracts should not be overstated. Foreign jurisdictions were often reluctant to comply with the Champagne fair-wardens' demands. Some jurisdictions adumbrated reasons why compliance was impossible, claiming that it required an order from a higher authority (as in Malines in 1277¹⁵² or Florence in 1279¹⁵³), or that the debtor had left town (as in Venice in 1299).¹⁵⁴ Others moved agonizingly slowly, with the London authorities putting the fair-wardens off for seven years between 1293 and 1300¹⁵⁵ and the Florentine authorities delaying them for four years between 1294 and 1298.¹⁵⁶ Some refused to recognize the fair-wardens' competence, as in 1277 when the Parlement de Paris imprisoned the Champagne fair-wardens for exceeding their authority in demanding that the *bailli* of Vermandois appear in their court.¹⁵⁷ Flat refusals were not unknown, as in 1296-8 when the Florentine authorities told the fair wardens that they were too busy to concern themselves with an unpaid fair-debt.¹⁵⁸ Even when fair-bans were imposed, they could be avoided, as in 1264 when Cahors merchants attended the Champagne fairs despite a preceding fair-ban,¹⁵⁹ in 1297 when the captain of the *universitas* of Italian merchants frequenting the Champagne fairs mediated an agreement between creditors from Ypres and the Ricciardi firm of Lucca allowing the latter to attend the fairs despite the existence of a fair-ban against Lucca,¹⁶⁰ or in 1302 when the bishop of Paris paid a modest sum to various Piacenzan firms to annul a fair-ban requested against his subjects.¹⁶¹ On the other hand, creditor merchants would not have paid the fair-wardens to undertake the elaborate documentary stages on the way

¹⁵¹ Huvelin (1897), 430-1; Bassermann (1911), 46.

¹⁵² Bautier (1953), 125.

¹⁵³ Berti (1857), 247.

¹⁵⁴ Laurent (1935), 300.

¹⁵⁵ Walford (1883), 250-9.

¹⁵⁶ Berti (1857), 256-7, 264-7.

¹⁵⁷ Boutaric (1867), I:193 (#2097); Laurent (1935), 281.

¹⁵⁸ Berti (1857), 260-1, 267-70.

¹⁵⁹ Bautier (1953), 124.

¹⁶⁰ Laurent (1935), 297.

¹⁶¹ Laurent (1935), 297-8.

to imposing a fair-ban had they not held some expectation of success. Hence it is reasonable to view the fair-ban procedure as having made some contribution to the ability of the Champagne fair-wardens to enforce merchant contracts, despite its recognized limitations.

But collective reprisals cannot have been the crucial contract-enforcement mechanism underlying the ascendancy of the Champagne fairs, since there is no evidence that fair-bans were used to enforce merchant contracts in the period 1180-1260. There are only two mentions of fair-bans from the period before 1260: one in 1221 where the creditor was a sovereign prince and thus extraordinary 'diplomatic' guarantees were needed; and the other in 1242-3, which was to penalize violation of a safe conduct rather than a commercial contract.¹⁶² The Champagne fairs thus flourished as the undisputed fulcrum of European international trade for eighty years, between c. 1180 and c. 1260, without using collective reprisals to enforce contracts.

This raises the question of what mechanism operated *before* 1260 to prevent fair-debtors from defaulting? A possible answer is that the Champagne fairs, as the most important international market in Europe, were the source of profitable trading opportunities that could not be replicated elsewhere. As we have seen, the fairs offered princely, municipal, and ecclesiastical courts with powers to compel merchants to fulfill contractual obligations while they were in Champagne. The only way a defaulting debtor could avoid prosecution was to avoid the fairs permanently, losing profitable trading opportunities. Provided that the benefit of absconding was lower than the cost of sacrificing future trading opportunities at the fairs, a merchant had an incentive to pay his debts. If this condition was met for the majority of merchants, then the combination of profitable trading opportunities and an effective legal system with coercive powers provides an explanation for why merchants at the Champagne fairs typically paid their debts rather than defaulting. The use of the fair-ban procedure against absconding debtors after 1260 may have provided an additional deterrent against default, but cannot have constituted the main reason why debts were typically paid. The Champagne fair-bans thus do not support the view that corporative contract

¹⁶² Bourquelot (1865), I:178-9, 193-4, 327-8.

enforcement played a central role in the growth of international trade during the medieval Commercial Revolution.

6. Conclusion

The medieval Champagne fairs do hold lessons for the institutional foundations of impersonal exchange and long-distance trade, but not those for which they have often been mobilized. For one thing, they provide no support for the view that international trade developed on the basis of private-order legal provision. There were no ‘private judges’ at the Champagne fairs. Rather, the Champagne fairs offered an effective combination of state, ecclesiastical, and municipal courts, among which foreign merchants could (and did) shop around. This system was supplemented by a dedicated fair court, but its judges, the fair-wardens, were also princely officials and did not prevent foreign merchants from enforcing contracts at other levels of the princely justice-system, in front of courts operated by local abbeys, and in municipal courts.

Nor do the Champagne fairs support the idea that long-distance trade could develop on the basis of contract enforcement offered by collective reprisals among corporative communities of businessmen, in the absence of impartial public contract-enforcement. The role of merchant ‘communities’ at the Champagne fairs was minimal. No merchants had them for the first 60 years of the fairs; many important groups of merchants at the fairs never had them at all; and even the few groups that did have them in later phases of the fairs’ existence could only use them for internal contract enforcement and relied on the public legal system to enforce contracts between merchants of different communities. Collective reprisals were used in a limited way in the final phase of the fairs’ ascendancy, after c. 1260, but they were fully integrated into the formal legal system, their enforcement relied on state coercion, and the few merchant ‘communities’ at the fairs played no role in initiating or implementing them.

What the Champagne fairs do show is that the policies and actions undertaken by the public authorities were crucial to impersonal exchange and international trade in medieval Europe. Between the 1180s and the 1290s, the rulers of Champagne provided security and contract enforcement to all merchants regardless of community affiliation: long-distance trade flourished and the Champagne fairs became the fulcrum

of European trade. From the late 1290s, as the French crown ceased to provide generalized security and contract enforcement at the fairs, and instead began to tax and constrain particular groups of merchants to serve its fiscal, military and political ends, long-distance trade deserted Champagne and moved to centres such as Bruges where public goods were more impartially provided. The Champagne fairs succeeded because the public authorities provided generalized institutional services open to all traders; they declined when the regime switched to particularized institutional provision which discriminated in favour of (and against) specific groups of merchants.

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