

**S. 6.3. – GENERAL AVERAGE, INSURANCE, AND THE GOVERNANCE OF
MARITIME COMMERCE IN EARLY MODERN EUROPE**

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Panel Abstract

The governance and management of commercial conflict has long been seen as a key for good institutions and economic growth. In this type of studies, the governance of maritime commerce has however been largely overlooked, particularly when it comes to the governance of disputes on insurance, shipwreck, and maritime trade losses. This panel proposes to look in-depth at the governance structures underlying maritime commerce in various commercial cities across early modern Europe (Antwerp, Amsterdam and Paris), offering case studies of how the governance of two major instruments of risk management – insurance and GA – was organised. These studies shed light on institutional arrangements regarding enforcement and conflict management of maritime commerce, contributing to debates over third-party enforcement, private conflict resolution and the role of the state at various governmental levels. It shows the heterogenous paths and effects of various forms of governance of the same instrument.

Keywords

Conflict resolution, cities, GA, governance, insurance

Colbert's Experiment in the Parisian Laboratory: Capital, Risk, and Marine Insurance in Early Modern France

LEWIS WADE (University of Exeter)

Abstract

Far from being a niche instrument, marine insurance was a powerful yet volatile tool of early modern economic development. States and municipalities grappled to come to terms with it, hoping to harness its power in pursuit of their own economic interests. This paper analyses the interests of Jean-Baptiste Colbert, Louis XIV's eminent minister, in the French marine insurance industry. Through analysing two little-known projects, I explore Colbert's motivations for intervening in the industry, situating these projects in the context of broader fiscal and commercial reforms that are often studied separately. Marine insurance, I argue, was a nexus in these reforms: through analysing Colbert's interventions, we can better understand his desire to institutionalise and mobilise the Parisian capital market in service to the maritime sector, bringing new players into marine insurance while also responding to the scope for conflict that could arise from this.

Third Party Enforcement in an Informal Setting: General Average in Amsterdam (Late Sixteenth-Eighteenth Centuries)

SABINE GO (Vrije Universiteit Amsterdam & University of Exeter)

Abstract

Managing the risks inherent to long-distance trade has always been of pivotal importance to merchants, ship owners and entrepreneurs. Marine insurance and General Average were some of the tools applied by these parties to deal with these risks. However, marine insurance was a complex, relatively new method where risks were transferred to a third party. General Average, although having an impressive lineage, was a generally accepted default rule, but not confirmed or acknowledged ex-ante by parties involved. With both these instruments there was the issue how to enforce obligations of one's counterpart of a transaction. Insurance disputes were adjudicated by the principal court of the city, the Eschevin court; GA conflicts were handled informally by 'wise' men. However, at the request of merchants, fearing that unwanted behaviour would harm the city's reputation as mercantile centre in general and their interests in particular, the authorities founded the Chamber of Insurance and Average in 1598. From then on, third party enforcement was to guarantee that all parties involved in either insurance or GA would honour their commitments. Even though the two concepts were completely different, the enforcement of both converged from the late sixteenth until the end of the eighteenth century- only to go their separate ways again in a most peculiar way in the nineteenth century.

The Governance of General Average and Insurance in Sixteenth-Century Antwerp: Towards Generalised, Open-Access Institutions?

GIJS DREIJER (Leiden University & University of Exeter)

Abstract

Sixteenth-century Antwerp is nowadays seen by economic historians as one of the first cities in northern Europe to move towards generalised, open-access institutions. This paper will test this claim by looking at the governance systems of General Average and insurance, two risk management instruments for maritime commerce, the latter of which has sometimes been neglected when looking at the city's institutional structure. Antwerp's general trajectory was indeed towards generalised, open-access institutions, but this was a road with many obstacles, which this paper will discuss, including the changing role of the central government and multiple interest groups trying to influence the trajectory on issues of maritime risk management and commerce. Contrary to expectations, sixteenth-century Antwerp moved from a relatively light-touch approach on regulation and governance to heavy-handed oversight in the 1560s, before returning to a largely unregulated governance market structure on insurance and General Average in the 1570s and 1580s. This paper will analyse these various phases and in a final section compare Antwerp's trajectory to Amsterdam, which formed the Chamber of Insurance and Average in 1598 (see Sabine Go's paper).