CHAPTER FIVE

INSTITUTIONS AND THE ENVIRONMENT:
SHIPPING MOVEMENTS IN THE NORTH SEA/BALTIC ZONE,
1650–1800

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Improvements in shipping efficiency in the bulk trades of the Northern Seas were of special significance during the seventeenth and eighteenth centuries, as the region emerged to become the core of the world economy. It was principally Netherlands merchants and shipmasters who managed to integrate the northern and southern poles of the European world-economy from around 1520–1650, prior to the rise of the Euro-Atlantic trading world of the eighteenth century. It is possible to view these changes in terms of a series of ever-expanding commercial networks, underpinned by falling transactions costs leading to increasing market integration.¹ A more realistic approach, however, would take account of those discontinuities arising from geography and the environment, interstate competition and geopolitics, for this was a world divided into trading zones.

Like the Mediterranean in 1500, the North Sea/Baltic zone was, in 1650, a world in itself. That is to say it was a subsystem of the larger European economie-monde, a macro-region large enough to contain its own core and peripheral areas. Aside from its global situation midway between the North Atlantic seaboard and the eastern Mediterranean, the region was extremely well-endowed with natural energy resources: kinetic energy to move sailing ships and mills in the form of wind and water; thermal energy in the form of coal, peat, and timber; and cereal grains and fish stocks providing foodstuffs with high calorific

¹ E.g. for northwestern Europe, North and Thomas, *The Rise of the Western World*, 93–94, 134–138, 149–150; North, ‘Institutions, Transaction Costs, and the Rise of Merchant Empires’; for the Atlantic economy, where the scope for major reductions in shipping and distribution costs were much larger than in eighteenth-century Europe, Shepherd and Walton, *Shipping, maritime trade and the economic development*, chapters 4 and 5; French, ‘Productivity in the Atlantic Shipping Industry.’
Figure 5–1  The Northern Seas and Mediterranean as Macro-regions within the European World-Economy, 1600

Figure 5–2  Four Macro-regions, 1700