THE VENETIAN ECONOMY

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This essay presents the structures of Venice's urban economy in the phases of success, resistance, and decline that characterized its history between the 15th and 18th centuries and looks at how a structure based on long-distance commerce changed into a system based on landed revenues and consumption. The examination of specific economic relations between the capital and its dominions is left to other contributions in this volume.

Even a cursory glance at the studies of Venetian economic history brings us face to face with some of the great scholars of international historiography. Indeed, Venice was of great interest to many 20th-century scholars, both Italian and foreign, who examined the most important issues in economic history. Venetian historiography obviously reflects more general cultural tendencies. During the 19th century, the Republic of St Mark was studied above all with regard to political or cultural questions. The affirmation of the national State as a principal historical actor led historians to an interest in the rise and fall of States in the context of international political competition. Thus the Serenissima was approached as a great Mediterranean power that had achieved a position of pre-eminence until the 16th century, and later followed a path of inevitable decline finally completed by the Napoleonic armies in 1797. Venice was a victim of the negative view that regarded the entire Mediterranean, according to which, after the rise of the Ottomans and the great discoveries culminating in Colomus's enterprise in America, the whole region rapidly entered into a dramatic and irreversible crisis caused by the emergence of the Atlantic powers (Holland, France, and England). According to the German historian Wilhelm Heyd, the arrival of the Portuguese in India in 1498 and the Ottoman conquest of Egypt in 1517 were the two final events in a process that brought about the decline of the Mediterranean.1 In 1823, the Venetian intellectual Luigi Casarini argued that Venice, so distant from routes

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toward the East and the Americas, “was, after such a revolution, no longer capable of keeping for itself the monopoly on Oriental goods.”

However, the First World War and the upheavals it provoked forced many to question what had previously been taken for granted, including, among other things, the preeminence of political history. Questions of economic history began to interest an ever larger group of scholars, particularly during the economic crisis of the 1920s and 1930s. The movement of historiographical renewal culminated in the 1929 foundation of the French journal *Annales* proposed a decisive turn toward economic and social history. In Italy, one of the founding fathers of economic history, Gino Luzzatto (1878–1964), was actually a scholar of Venetian history and was the first to do systematic research on the people and structures of the economic past. Beside Luzzatto, one must also mention the American historian Frederic C. Lane (1900–84), who began his illustrious career of Venetian scholarship with a study on the *Arsenale* and fleet published in 1934, followed in 1944 by a monograph on a 15th-century merchant and numerous works on the financial and commercial world of the city on the lagoon. It must also be noted that Fernand Braudel (1902–85), one of the principal protagonists of historiographical renewal in the 20th century, contributed to placing the Venetian economy in the broader context of Mediterranean history and strongly influenced an intrepid group of researchers in their studies on the Serenissima.

The scholarly interest focused mainly on Venice’s golden centuries, the period extending from the 11th century to the 15th that witnessed the sailors, shipbuilders, and merchants of the Serenissima as protagonists of the great commercial traffic between East and West. In these stories of merchants and entrepreneurs, scholars sought the origins of the entrepreneurial spirit and, ultimately, the elements of the birth of capitalism and modernity. In the early Renaissance, Venice and Florence competed for the title of Birthplace of Capitalism and of the rationality, whether economic or political, of the Western Man.

**Commercial Success**

Venice was one of the largest metropolises of medieval Europe, drawing its vitality from long-distance commerce but, at the same time, functioning as a great center of production and consumption, as noted in Table 1.

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