

JANUARY 2019

WARSAW

ISBN 978-83-61284-72-7



Hansa 2.0. A return to the Golden Age of trade?

Warsaw, January 2019

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ISBN 978-83-61284-72-7

Contents

Executive Summary	4
The Netherlands after Brexit.....	5
Franco-German stalemate. Can the Hansa 2.0 become the new Britain?	7
Three Seas and Hansa as a new trend in European integration.....	11
Thin identities and the neo-medievalization of Europe.....	14
Guilds then and now. Towards network-based leadership	17
List of Figures and Tables.....	20
Bibliography.....	21

Executive Summary

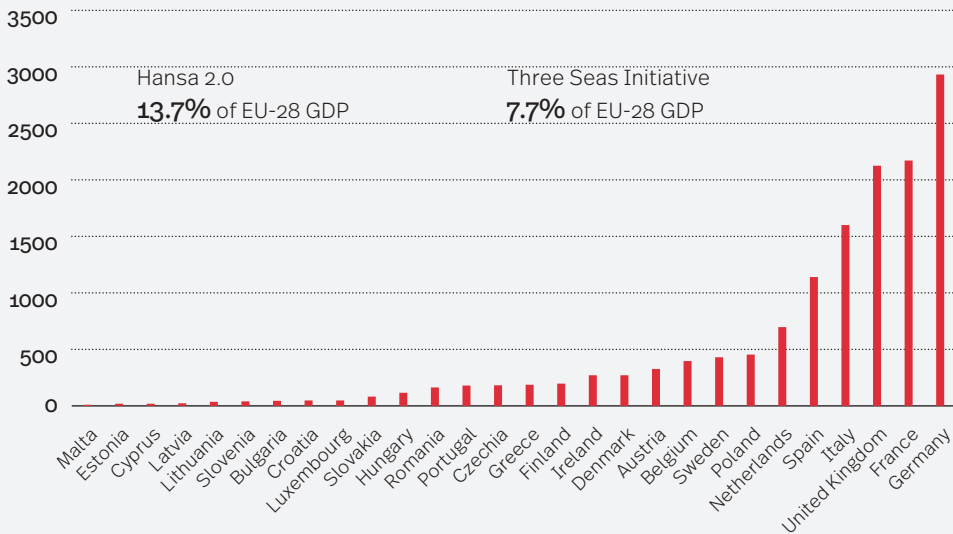
- 1.** Faced with numerous crises, the EU must reinvent its grand economic plan. With Brexit, which will have economic repercussions across Europe, the matter is urgent.
- 2.** Following the breakdown of Franco-German cooperation on the Eurozone, the Netherlands and other northern EU countries formed the New Hanseatic League (or the Hansa 2.0) – a coalition of smaller states that advocates a free-trade oriented and fiscally conservative Eurozone.
- 3.** There are striking structural similarities between the Hansa 2.0 and another successful intra-EU project: the Three Seas Initiative initiated by Poland and Croatia. Both represent a new organisational adaptation of the megatrend known as the “neo-medievalisation” of Europe.
- 4.** Drawing on the wisdom of the medieval merchants of the original Hanseatic League, the Hansa 2.0 does not focus on a common currency, but rather on pragmatic projects to make the European market more competitive and growth-oriented.
- 5.** The Hansa 2.0's economy accounts for 13.7% of the EU-28's GDP, almost twice as much as the Three Seas Initiative's. If Poland joined, it would boost the Hansa's economic weight by more than 3%.
- 6.** The original League started modestly, as a trust-based association focused on economic freedom. Based on a similar trust, the Hansa 2.0 could inspire policymakers as they start a new chapter of European integration.

The Netherlands after Brexit

European politics is about multi-layered constantly clash and permeate one another. With more than 30,000 lobbyists (Freund, 2016) and thousands of bureaucrats in Brussels, the EU is a pool of evolving ideas about policies. Sometimes, these change direction swiftly, like a diverted river. One of these changes may be approaching: Brexit will cause ripples across Europe, forcing the EU to adjust its economic

policies. The departure of Britain, the EU's third-most powerful member, will alter the Union's political weight. Based on the State Power Index, which measures countries' composite power (across seven dimensions, including the economic, military, political and demographic ones), Brexit will reduce the EU's power by 12%. EU countries' combined power is 22.81; without Britain, it will fall to 20.18. (Arak, Lewicki, 2018).

▼ Figure 1: GDP at market prices, chain linked volumes, 2010 (bn EUR)



Source: prepared by the author based on Eurostat data.

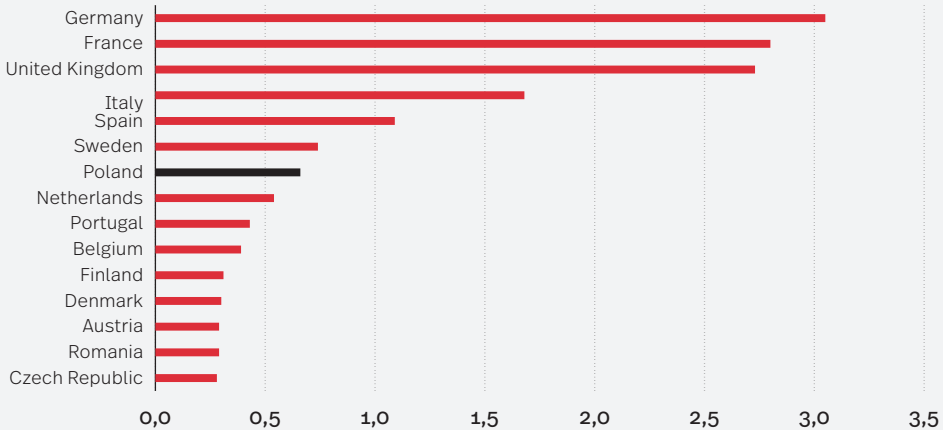
Brexit's economic and political impact on the EU will be far from uniform. Countries like Ireland will suffer politically, as the internal EU border cutting across the island becomes an external EU border. Meanwhile, some of Britain's major trade

partners are disproportionately likely to absorb the economic shock. Beyond the EU, global powers cooperating with Britain, like China and the US, will remain unaffected. Similarly, Switzerland, which is not a member of the EU, is likely to avoid

the main impact. In terms of trade, this leaves Germany, France and the Netherlands. As the three European countries with the strongest economic ties to Britain, their economies could be the most hit by Brexit (Simoes, 2018). Of the three, the Netherlands

seems the most vulnerable to shock. According to the State Power Index, its economic subindex of power (0.79), which influences its capacity to absorb shocks, is much weaker than France's (2.26) and Germany's (3.56) (Arak, Lewicki, 2018).

Figure 2: TOP 15 most powerful countries of the EU



Source: Arak, Lewicki (2018).

Table 1: Trade in goods by Britain's top 5 partners in 2017

Export	Per cent	Import	Per cent
United States	13	Germany	14
Germany	10	United States	9
France	7	China	9
Netherlands	6	Netherlands	8
Ireland	6	France	5

Source: prepared by the author based on Eurostat (2018).

France and Germany have another way to mitigate the effects of Brexit. As the traditional dual motor of EU integration and two most powerful countries in the post-Brexit EU, they are likely to influence the conditions of Brexit to safeguard their interests. As a less powerful player, the

Netherlands will need additional tools to secure its future. It will seek allies elsewhere, among the weaker countries – those that, like itself, see themselves as punching below their weight in European politics, but hope to change this.

Franco-German stalemate. Can the Hansa 2.0 become the new Britain?

Prioritising pragmatic steps that all Hansa members agree on:

1. transforming the European Stability Mechanism into a European Monetary Fund,
2. completing the single market and advancing free trade,
3. harmonizing national structural and fiscal policies,
4. completing the Banking Union

The economic risk of Brexit led the Dutch to propose a new collective initiative, already dubbed the “New Hanseatic League” (or the “Hansa”) by the media. Its logo features a medieval coat of arms, but the symbol of the euro in the central heraldic shield highlights its thoroughly modern ambition: reform of the Eurozone. The Hansa brings together eight “trade-friendly and fiscally conservative EU governments” (Khan, 2018b): the Netherlands, Ireland, the Nordic countries (Denmark, Sweden, Finland) and the Baltic States (Lithuania, Latvia, Estonia).

Based on its founding document from February 2018, the New Hanseatic League is focused on the advancement of the Economic and Monetary Union (EMU) and the reform of EU member states’ economic systems. “Further deepening of the EMU should stress real value-added, not far-reaching transfers of competence to the European level”, the document states. This means prioritising pragmatic steps that all Hansa members agree on:

1. transforming the European Stability Mechanism into a European Monetary Fund,
2. completing the single market and advancing free trade,
3. harmonizing national structural and fiscal policies,
4. completing the Banking Union.

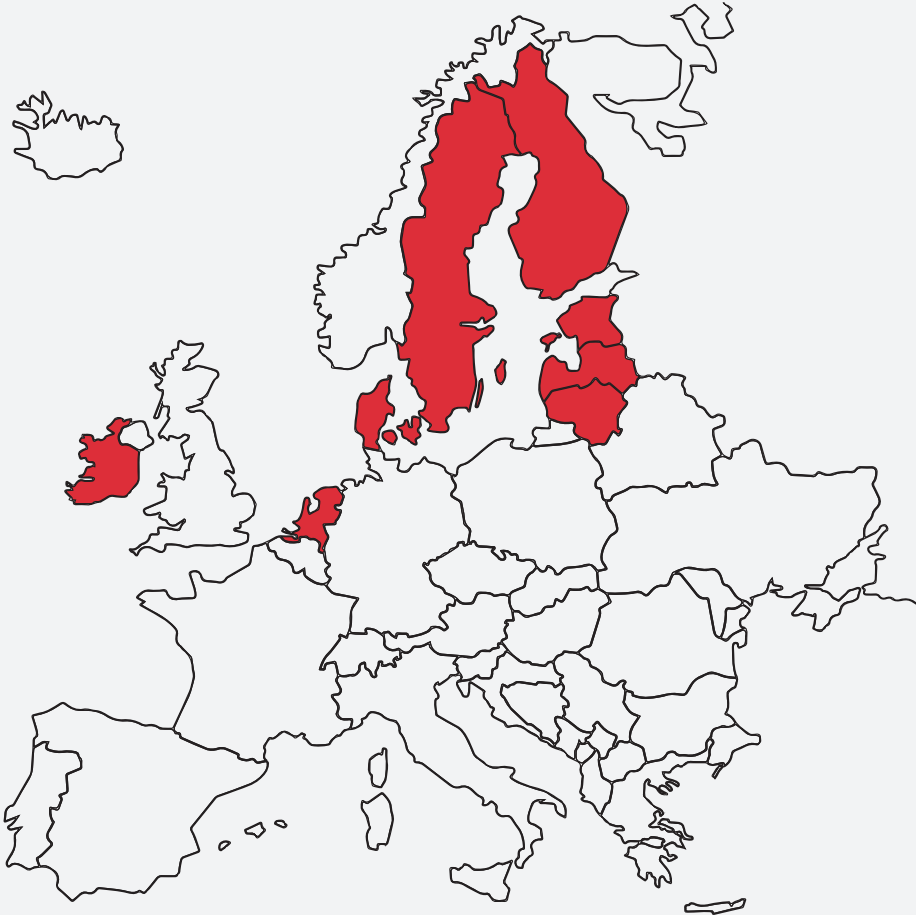
According to the document, these goals “should have priority over far-reaching proposals”.

Meanwhile, to strengthen its standing, the Hansa welcomes other countries that want to be heard in the debate on the future of the Eurozone. Being heard is the backbone of the whole project; the Hansa emphasises “inclusiveness” whenever possible. The joint declaration’s first point states: “We believe discussions about the future of the EMU should take place in an inclusive format. European cooperation is based on strong shared values, among others the value of inclusiveness”. This focus on collective decision-making reflects a fear of backroom deals between France and Germany,

an alliance that could gain political weight after Brexit.

As soon as Britain leaves, the combined power of France and Germany within the EU will rise to around 30% (Arak, Lewicki, 2018). In terms of economics, banking and the euro, it will mean more than just the departure of the EU’s third-most powerful member. Historically, Britain has been an innovator on finance and free trade: the first two modern-style banks – Barclays and the Bank of England – were founded in Britain before the end of the 17th Century. London is home to the world’s

Figure 3: The Hansa (as of 2018)

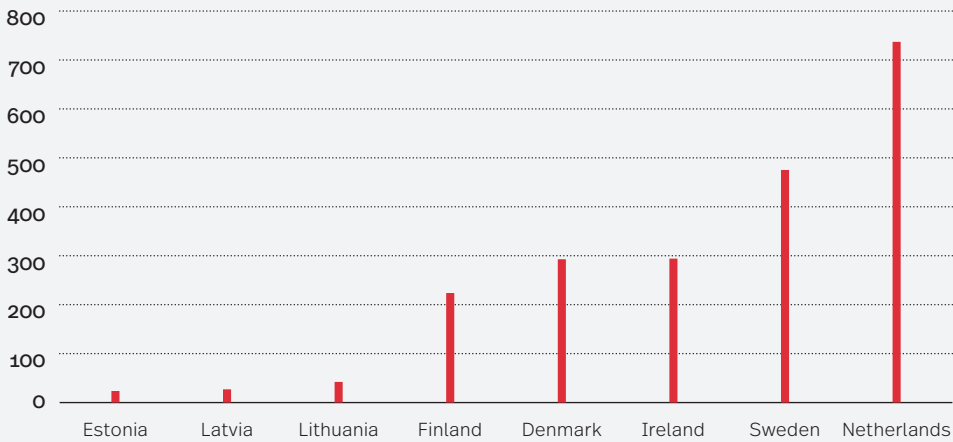


Source: own preparation.

third-biggest (and Europe's biggest) stock exchange. Although Britain never adopted the euro, its stock exchange has had a profound impact on the currency's stability, because more than 70% of euro trading takes place in London, compared to just 11% in Paris and 7% in Frankfurt, according to the Bank for International Settlements. Finally, as home to numerous financial institutions, London

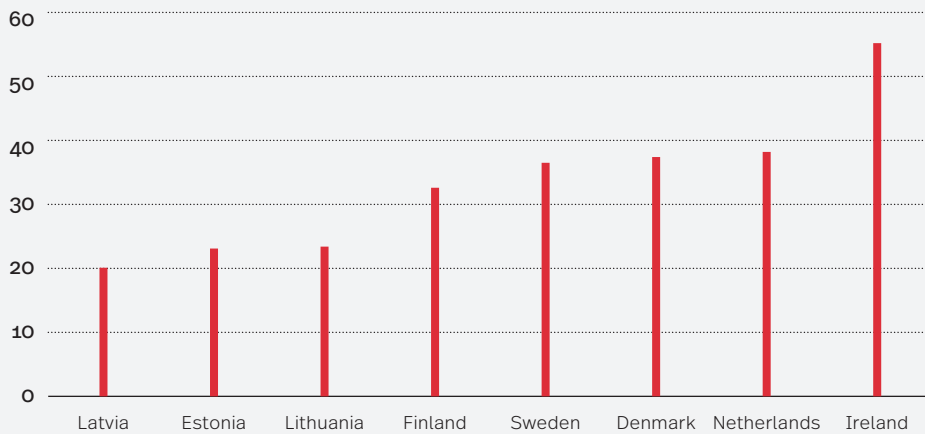
has long questioned the European economic solutions proposed by France and Germany, especially those that move away from liberalism. Britain has long functioned like a third wing of the European TOP3 fidget-spinner, capable of giving the Eurozone's evolutionary dynamics a predictable and stable pace.

▼ **Figure 4: GDP at market prices in New Hanseatic League, 2017 (bn EUR)**



Source: prepared by the author based on Eurostat data.

▼ **Figure 5: GDP per capita in PPPs in New Hanseatic League, 2017 (thous. EUR)**



Source: prepared by the author based on Eurostat data.

Yet after Brexit, the spinner will have to regain its balance. The commotion is already forcing international banks and financial institutions based in London to seek new headquarters in the EU. So far, the biggest European players, Germany and France, are benefiting from their competitive advantage: global financial players are mainly considering Frankfurt and (to a lesser extent) Paris. As it stands, nearly 20 banks are opening hubs in Frankfurt and officials in Germany's Hesse region expect many of the 60 other firms and institutions considering relocation to choose the city (Embury-Dennis, 2018). Many smaller players remain undecided. Waiting to see how Brexit unfolds, they have only taken small organisational steps in Frankfurt. As Frankfurt, and possibly Paris, becoming the new "Londons", the most powerful countries in Europe could become even more powerful.

At the same time, support for free trade within the EU could weaken. London, that traditional champion of the free market, will lose its influence and vote on the Eurozone, migration and the EU budget. France is drifting towards economic protectionism under President Emmanuel Macron and wants Eurozone countries to acquire special rights. Germany remains unsure whether to choose "tightening the Eurozone and protectionism" or "pan-European financial integration and free trade". On the one hand, German analysts realise that more free trade could attract more financial institutions from Britain. On the other hand, they know that this could be resisted by German economic players seeking stability and protection in times of financial instability. Chancellor Angela Merkel is hesitating. Despite

The lack of German enthusiasm is precisely where Dutch PM sees an opportunity to recruit Germany for the idea of New Hansa

the Franco-German Meseberg Declaration on Eurozone reform, she remains visibly unenthusiastic about Macron's ideas on the Eurozone budget and the European Stability Mechanism. She may also sense that other EU countries would dissatisfied with a reform forged in Franco-German circles, without weaker EU countries.

This is where Dutch Prime Minister Mark Rutte sees an opportunity for German support for the New Hansa. Merkel's announcement in October 2018 that she will not seek re-election as CDU leader (Knight, 2018) created a window of opportunity. Her departure would leave many dimensions of politics for her successors to decide

on. Moreover, the generational shift in politics is not limited to Germany. If the New Hansa gains enough members and negotiating power, it could become a major player and supplier of narratives in the next round of European economic reform. This seems to be the Netherlands' aim. "Being one of the founding EU members, we have an obligation to try and bring countries together, including the bigger ones like Germany and France", said Rutte (Khan, 2018a), emphasising the Netherlands' self-assumed leadership and the Hansa's openness to new members.

Even without fresh blood, the Hansa's combined international power (2.48 points) is comparable to that of Britain (2.73) (Arak, Lewicki, 2018). Its GDP is 91% of Britain's. As a collective entity, it is territorially and politically dispersed, though. Dutch aspirations aside, could the Hansa 2.0 really become an advocate of free trade within the EU?

Three Seas and Hansa as a new trend in European integration

The Hansa may be favoured by a specific historical momentum, much more disruptive than the approaching reshuffle in Germany.

Structural trends in European integration suggest that this may be the time for Hansa-style projects. The Hansa is not the first bottom-up, pragmatic and goal-oriented alliance of weaker EU countries to emerge in recent years. Perhaps unwittingly, the Hansa 2.0 is following in the footsteps of the Three Seas Initiative, a successful intra-EU infrastructural project based on logistical integration and technological advancement in security of EU's eastern border.

Focused on security gains and increased technological integration, the Three Seas Initiative was launched by Poland and Croatia in 2015 and founded at the Dubrovnik summit the following year. It currently has 12 members – Austria, Bulgaria, Croatia, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia – located between the Baltic, the Adriatic and the Black Sea (hence its name). Initially downplayed, ridiculed or even actively opposed by politicians and intellectuals in some European countries, it has established itself as a new type of mainstream platform within the EU (Lewicki, 2018). It has also attracted US attention and NATO officials are

starting to see it as a model for both Euro-Atlantic cooperation and leadership in the energy sector (Turecki, 2018).

The Hansa and the Three Seas share at least eight features (see Table 2). Firstly, they are both goal-oriented, pragmatic initiatives focused on advancing a specific dimension of European integration. Their goals were set in advance: free trade for the Hansa and logistics, infrastructural integration and security for the Three Seas. Sec-

ondly, both focus on a certain EU region; Northern and Central Europe and the Baltic Sea region for the Hansa, and the EU's eastern border for the Three Seas. Thirdly, both are a response to a specific threat: Hansa wants to stall the harmful economic effects of Brexit and the Three Seas wants to prevent infrastructural threats if the conflict on the

Perhaps unknowingly, Hansa 2.0 is following in the footsteps of the Three Seas Initiative – a successful infrastructural intra-EU project based on logistic integration and technological advancement in security of EU's eastern border

EU's eastern flank escalates. In both cases, collective action was a response to a threat that the EU and its most powerful members were seen to have neglected. The fourth common feature is the initiatives' thin identity, based on shared historical experience (Terlouw, 2016). The Hansa's narrative is based on the prosperity of the medieval Hanseatic League, while the Three Seas' is the experience of traumatic exploitation during the Communist era (apart from Austria, all its members were in the Eastern Bloc) that led to the

region's infrastructural underdevelopment (see: next section). The fifth and sixth similarities are how both initiatives revolve around pragmatic, down-to-earth solutions. The Hansa wants to promote solutions for advancing the Eurozone and the Three Seas aims to increase the region's technological connectivity and security. These goals do not interfere with EU policies; they do not have federal or supranational ambitions. They also increase the European system's overall cohesion.

The last three similarities concern how the initiatives emerged: both were formed by weaker EU members (the Netherlands, Croatia and Poland) that managed to attract other weaker players that lack the diplomatic or lobbying power to amplify their voice in the EU area. The projects' bottom-up emergence around shared goals means that the EU might acknowledge and potentially support them after the initial formation stage, once they are completed.

▼ **Table 2: The New Hanseatic League and the Three Seas Initiative as a new type of intra-EU project**

Hansa 2.0 and Three Seas Initiative as a new type of structure		
Characteristics	Hansa 2.0	Three Seas Initiative
1. Goal-oriented	Free trade	Infrastructure and security
2. Regional – focus on a specific EU region	Northern and Central Europe (Baltic Sea)	Eastern and Central Europe (eastern EU border)
3. Response to a threat	Economic impact of Brexit	Geostrategic insecurity and destabilisation by Russia
4. Shared identity	Shared experience of the historical Hansa region	Shared experience of communist trauma
5. Pragmatic aims	Directing evolution of Eurozone in a specific direction and creating specific European institutions	Increasing connectivity of energy supply systems, modernisation of infrastructure of logistics and security, technological unification
6. Intra-EU	Internal EU projects to increase regional cohesion that will benefit the whole EU	
7. Initiated by individual member state(s)	Netherlands and other EU countries	Croatia and Poland
8. Attractive for weaker EU states	Amplifies the voice of countries without sufficient diplomatic or lobbying power when acting alone	
9. Bottom-up and spontaneous	Regional initiative that does not require Brussels' recognition at the very start	

Source: own study.

As the younger and less experienced of the two, the Hansa 2.0 could learn from the Three Seas Initiative, especially since some Hansa members – Lithuania, Latvia and Estonia – are part of both. Poland may wish to join at some point, too. It would be a suitable candidate: it has access to the Baltic Sea and belonged to the historical Hansa (in addition to coastal cities

such as Szczecin, Kołobrzeg and Gdańsk, even inland Kraków and Wrocław were members). It also shares the Hansa's strategic goals: the Polish government advocates combating tax havens, a digital tax and closing the European VAT gaps (Arak, 2018). Poland's experience launching the Three Seas Initiative could also be a valuable asset.

▼ **Figure 6:** Overlapping membership of the Hansa 2.0 and the Three Seas Initiative



Source: own preparation.

Thin identities and the neo-medievalization of Europe

The structural similarity between the Hansa and the Three Seas raises questions about their roots. Both belong to the same *genus* and have found similar ways to adapt to Europe's changing political and economic order. Is this just a coincidence, or there is a deeper structural cause?

This similarity may be linked to what is known as the “neo-medievalization of Europe” – the re-emergence of macro-structures, modes of action and civilizational trends typical of the Middle Ages. If the European order is turning into a neo-medieval one, supporters of the New Hansa may succeed in advancing their visions of economic unity.

Neo-medievalization has several dimensions, but only one has been studied properly – international relations. In the 1970s, British political scientist Hedley Bull spoke of neo-medievalism, arguing that states' integration into international units, the reform of nation states, the spread of supranational organisations and global technological unification all contribute to the re-emergence of political processes typical of the Middle Ages. To use Bull's words: because “in medieval times the state had to share the stage with ‘other associations’”, it seems reasonable to assume that the “‘new-medieval’ order would be one in which war in the sense of organised violence between sovereign state would not exist because [classically – G.L.] sovereign

A neo-medieval order needs not only overarching values that permeate the system, but also local, diversified networks of multi-layered relations to govern its own complexity

states would not exist” (Bull, 1991). According to Bull, a neo-medieval order needs not only overarching values that permeate the system, but also local, diversified networks of multi-layered relations to govern its own complexity. In addition to universal values, it produces local and adjustable networks of dependence, obligations and authority. These networks' causal nature means that nation states need to take part in them, which reshapes their power structure and modes of governance.

The EU is a good example of these dynamics. Europe seems to have come full circle since the Middle Ages, when it lacked sovereign territorial states. From the age of the nation state, it has

moved to a neo-medieval era in which nation states become network states (Musiałek, 2016) entangled in a diverse set of obligations. As the nation state has become just one of the many sources of power, it has lost its monopoly over decision-making. Just as there were territorial states

without nations in Europe, there are now nations without fully-fledged territorial states (Musiałek, p. 33). This does not mean that the nation state is disappearing, rather, it is transforming into a network state with a new type of sovereignty, redefining international power by participating in various networks of influence.

Neo-medievalization is not limited to the international level. It also has a demographic

dimension, as Europe faces its biggest-ever wave of immigration, which will change its civilizational landscape forever. This is comparable to the cultural impact of the *Völkerwanderung* (wandering of nations) in the Roman Empire before the Middle Ages. There is also a religious dimension, as religions re-emerge as dynamic international players, defining supranational public goals and their preference of legal norms (e.g. growing support for Sharia law in Europe). The economic dimension involves rising neo-feudal malleability within the population, which is increasingly ready to trade liberty for security and stability (Lewicki, 2016). Of course, this “return

One important lesson from neomedievalization is that that the fluidity, perpetual instability and network nature of current power relations seem to foster *ad hoc* intra-EU initiatives

of the Middle Ages” does not mean returning to castles or manual ploughing. From a neo-medieval perspective, history can be seen as a spiral: while there is a cyclical element (some processes and macrostructures re-emerge), it is also linear and unique (due to path-dependency, technological progress and randomness, which alter the final outcome). One important lesson from neo-medievalization is that the fluidity, perpetual instability and network nature of current power relations seem to foster *ad hoc* intra-EU initiatives by actors that share a well-defined and goal-oriented identity.

Table 3: Thick, traditional identity vs. thin, New Hansa-style identity

Aspect	Ranging from traditional thick	To future oriented thin
Spatial form	Closed	Open
	Territorial	Network
Organisation	Institutionalised	Project
Participants	General population	Administrators and specific stakeholders
Purpose	Broad and many	Single
	Culture	Economy
Time	Defensive	Offensive
	Historical oriented	Future oriented
	Stable	Change
	Old	New
Scale focus	Local and National	Global

Source: Terlouw (2009), reprinted in: Lewicki (2016).

Proponents of neo-medieval analogies call this “thin identity”. Whereas “thick identities”, like national identity, remain irrevocably tied to a given territory, deeply rooted in history and encompass a wide range of features, “thin identities” are cross-territorial, do not rely too heavily on history and remain goal-oriented, focussing on a specified set of objects and processes (Terlouw, 2009). In Kees Terlouw’s words: “Thick identities are more backward-looking and value the spatial community as a political goal in itself. They focus more on bonding within a territorial community, while thin identities focus more on bridging between networked communities. Thin identities are more forward-looking and value more the effectiveness of their policies, especially economic ones. Moreover, thin spatial identities are more functional and linked to sectorial policies and special interests and stakeholders, while thick spatial identities are more integrative. Whereas thin spatial identities are created around a few - often economic - characteristics, thick spatial identities cover a broad range of cultural, social, political, landscape and economic characteristics. Also, thin spatial identities are more changeable. Their spatial form and meaning can be adapted to changing circumstances” (Terlouw, 2016). These identities are compared in Table 3.

Both the New Hansa and Three Seas initiatives are based on a thin identity. They are functional, constructed, future-oriented and involve economic and political gain. Their scale is international and they are open to redefinition. Although both have a “thick” component – shared historical experience (Hanseatic prosperity or communist domination) – this is not a prerequisite for membership. They also have the potential to integrate supranational network structures.

To sum up, the Three Seas’ and the Hansa’s success can be linked to medievalization, which is changing economic and political patterns in the EU. Multi-layered and multi-polar structures have already become an effective way to advance countries’ collective interests under the EU banner – just like a plethora of guilds and associations once thrived under the banner of Christendom across kingdoms.

It seems that the complex, overlapping and competing entities created to advance specific collective goals are here to stay. Other Hansa-style initiatives could follow. These might include a similar initiative by southern European countries focused on managing migration from the Middle East and Africa or an initiative to control geostrategic risks linked to Russian expansion in the Arctic as a result of global warming. They would all belong to the same neo-medieval *genus*.

Guilds then and now. Towards network-based leadership

Whether maritime or digital, free trade has remained a desired economic value throughout the centuries. However, the implementation of free trade always necessitates a successful response to some initial structural challenges. The historical Hanseatic League, understood as “a late-medieval network of economically largely independent long-distance trade merchants which was based on trust, reputation and reciprocal relations” (Beerbühl, 2012) is a good example of such response. It was formed by the traders to harness the chaotic and unpredictable conditions of trade as well as to counter the expansion of some social classes, such as the clergy and gentry.

The old Hansa’s success was partly based on trust. By establishing a mood of trust and reciprocity, the mercantile Hanseatic League created conditions for long-term cooperation over a vast geographical area. According to network theory, trust can support a network’s cohesiveness and stability by generalizing behavioural expectations (Beerbühl, 2012). This allowed merchants to reduce commercial risk and lower costs, as they could be certain that they would receive payment for shipments sent months earlier. They also reduced risk by co-owning ships or spreading goods across many vessels, which limited losses incurred by piracy or drowning. The Hansa also enabled merchants and traders, as a distinct social class (Braudel, 1984), to benefit from their peers’ political and social standing in many geographical regions. This had a tacit impact on European politics,

By establishing the mood of trustworthiness, the mercantile Hanseatic League created conditions for long-term cooperation on vast geographical areas

resulting in tax exemptions. As Fernand Braudel put it: “the solidity of the Hansa came from the community of interests it stood for, from the need to play the same economic game, from the common civilization created by trading (...) and lastly from a common language” (Braudel, 1984).

Significantly, the “common civilization created by trading” referred to by Braudel did not need a single currency to prosper. At some point, different

centres tried to formally extend monetary unions to larger geographic units, but these efforts proved unsatisfactory in the long run for at least some of the Hansa’s members. For example, the Wendish Monetary Union (1379-1569) that pegged the

silver coin equivalent to the Lubeck Mark formally included four cities (Hamburg, Lubeck, Luneburg Wismar). While this eventually became the standard for other towns, too, it proved difficult to maintain and did not expand beyond a certain scope (Allen 2009). This is because a single currency would have different face value in different regions due to structural and developmental variables between European kingdoms, such as transport costs, average wealth and access to precious metals. Instead, the merchants opted for a pragmatic solution and learned to prosper without “the euro” on the Hansa’s entire territory. Ultimately, the most effective exchange rates were based on relative perceived purchasing power (Marmefelt 2013).

Continuing the medieval merchants’ pragmatism, the modern-day Hansa focuses on a broader

set of issues than the euro and remains open to cooperation with EU countries outside the Eurozone.

Medieval Christendom and the 21st-Century EU share similarities. They both faced unnerving political instability, multi-layered dependencies, common values and a burning need to play the same economic game. In this game, agents' mutual trust and loyalty in goal-oriented networks can increase problem-specific power – through cooperation of the weaker players. This can be effective, especially since neo-medieval Europe lacked a single sovereign and existing sovereigns were unable to control everything. In coming decades, Europe will be moving from state-based leadership, where the strongest states decide on solutions, to network-based leadership, where collective bodies advance solutions, but only in a dimension agreed on in advance. This dispersion of power does not necessarily mean that the EU will weaken. Rather, it will evolve gradually towards the most effective mode of governance at that moment in an era of permanent crisis.

Speaking of the need for “a new opening” for the European project in July 2018, Polish Prime Minister Mateusz Morawiecki enumerated the crises faced by the EU: the migration crisis, the banking, financial and Eurozone crises, Brexit and Europe's inability to respond to the growing Russian threat (PAP, 2018).

As for the future of Eurozone, the New Hansa has already spotted a window of opportunity and could soon take over the narrative – especially now that the unfinished Franco-German reform plan is in the hands of other Eurozone members (Brianc̃on, 2018). With its support for free trade and harmonizing markets, the Hansa may be offering a viable solution. More free trade in the EU could lead to greater network externality, raising the entire continent's competitiveness and business friendliness.

Unlike the US or China, which produced today's tech giants, the EU lacks the competitiveness

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needed to create a new Google, Microsoft or Alibaba (The Economist, 2018). In this context, it is worth remembering the pragmatism of Jean Monnet, who believed that the EU should remain trade-focused and forge agreements based on economic cooperation, rather than centralisation and overly zealous ambitions.

Just as the Three Seas Initiative's members think in terms of energy security and geostrategic development of infrastructure, the New Hansa could become the go-to collective for countries that support a liberal future for the Eurozone. Like the guilds of medieval Europe, these new initia-

tives based on thin identity and network-based leadership could have a lasting influence on Europe's future. With its long tradition of mediating between great European powers such as Britain, Germany and France, the Netherlands is well prepared to help this network navigate choppy political waters. “Guilds” of

this new type refer to states as territorial units, rather than the cities typical of the original Hansa. This is a sign of the times: as the globalised world becomes smaller, the interacting units are getting larger. As long as the nation state refuses to wither away, not all causal interactions can be reduced to the city level and must rely on the state instead.

In this neo-medieval setting, the New Hanseatic League could experience fair winds and following seas. The evolution of the European market could favour liberal solutions, if the Hansa's advocates are smart enough to push them through.

Although the Hansa 2.0 is in its infancy, it is worth remembering that the original Hansa was once a small association, too. A recent diplomatic incident between The Hague and Paris, linked to French allegations that the Hansa 2.0 is a “closed club” that threatens European unity (Khan, 2018c), highlights that the initiative is already causing ripples in debates on the EU's economic future.

Figure 7: The trade of the Hanseatic League in about 1400



Source: Source: own preparation based on Braudel (1984, p. 105).

List of Figures and Tables

- ✎ **Figure 1:** GDP at market prices, chain linked volumes (2010) (bn EUR) 5
- ✎ **Figure 2:** TOP 15 most powerful countries of the EU 6
- ✎ **Figure 3:** The Hansa (as of 2018) 8
- ✎ **Figure 4:** GDP at market prices in New Hanseatic League (2017) (bn EUR) 9
- ✎ **Figure 5:** GDP per capita in PPPs in New Hanseatic League (2017) (EUR) 9
- ✎ **Figure 6:** Overlapping membership of the Hansa 2.0 and the Three Seas Initiative 13
- ✎ **Figure 7:** The trade of the Hanseatic League in about 1400 19

- ✎ **Table 1:** Trade in goods by Britain’s top 5 partners (2017) 6
- ✎ **Table 2:** The New Hanseatic League and the Three Seas Initiative
as a new type of intra-EU project 12
- ✎ **Table 3:** Thick, traditional identity vs. thin, New Hansa-style identity 15

Bibliography

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