

## CHAPTER 2

### *Economy*

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More than a decade before the birth of Dante in 1265, Florence was already the largest city in Tuscany and the dominant commercial power in the region. According to the Florentine chronicler Giovanni Villani (c.1276–1348), the urban population of Florence was twice the size of Pisa's by about the middle of the thirteenth century. The introduction of the gold florin in 1252 and the sustained issue of the new coin over the succeeding decades, despite its initial unpopularity, attest to a build-up of gold reserves among the city's merchant bankers and the extent to which Florentine trade and finance had developed. Of the other Tuscan cities, only Lucca struck a gold coin during the thirteenth century. After two attempts, however, monetary authorities in Lucca abandoned the project, like most governments elsewhere in Europe that either began to strike gold coinage during the two or three decades after the introduction of the florin or else planned to do so (for instance, the kings of England and France, the Roman Senate, Perugia, and Bologna). Only in Florence, along with Genoa and later Venice, were commerce, finance, and industry sufficiently developed and the gold supply dependable enough in the thirteenth century to support the sustained production of gold coins.

As a Gueft city, Florence benefitted from the virtual interregnum that began with the death of Emperor Henry VI (1165–97; sole king of Italy 1190; emperor 1191), and lasted until his son Frederick II (1194–1250) formally became King of Italy in 1218. In political terms, the breakdown of imperial power afforded Florentine authorities the scope to found the Tuscan League within just a few months of Henry's death and to consolidate their position at the head of the League as the dominant Gueft political power in Tuscany. It also gave Florence freedom to deal harshly with competing interests in its own territory without fear of military reprisal. Furthermore, it very likely produced conditions more favourable to Florentine economic expansion by reducing barriers to trade posed by the traditionally Ghibelline cities and seigniorial powers in Tuscany.

The accelerated pace of Florentine commercial expansion during the early years of the thirteenth century was evident at the international level by the 1220s. At one end of Europe, Florentine merchants are documented in England from 1223, and their presence there had already reached such proportions by 1234 that King Henry III (1216–72), instead of extending two-year grants of entry to individual Florentines as was usually the case for foreign merchants, issued a general licence of admittance to all Florentines. At the other end of the European world, in the eastern Mediterranean, one Ranieri of Florence was settled in the Levantine port city of Acre, selling cloth out of his *boteqa* (shop) there in 1224. Whether the cloth that Ranieri was selling was manufactured in Florence is unclear, but Florentine textiles were beginning to appear on foreign markets during this period, first in Venice (1225), then in Palermo (1237), Macerata (1245), Lucca (1246), and Ragusa (Dubrovnik, 1253).

The great wave of demographic and economic expansion that transformed Florence from a second-rate town in Tuscany into one of the dominant commercial centres in Europe and the cradle of the Italian Renaissance actually had its beginnings even earlier, more than a century before Dante's birth. Relations between Florence and Pisa certainly antedated the twelfth century, but the earliest such evidence comes only in 1158, when the two cities agreed to a treaty to end a conflict between Florence and Lucca on the one hand and Pisa and the Guidi Counts on the other.<sup>1</sup> By that time, according to the widely travelled North African geographer Muhammad al-Idrisi (1099–1165/66), Florence (*Flūransah*) was already a populous city.<sup>2</sup> Continued growth necessitated the construction of a new circuit of walls in 1172–75 that more than doubled the enclosed area of the city on the right bank of the Arno. The new walls embraced suburbs that were turned over to new residential property as well as to trade and industry, for example the Borgo della Balla, so named for the bales of cloth that were prepared there for transport, and Campo Corbolino alongside the Mugnone to the immediate west of San Lorenzo, which was covered with workshops.

The Pisans had completed the construction of a new larger enclosure for their city less than a decade earlier, but they never extended their twelfth-century walls, whereas the Florentines continued to expand the enclosed area of the city to accommodate the growing population. In the 1250s the Florentines completed the extension of their walls on the left bank of the Arno across the Ponte Vecchio, which Dante referred to as the 'passage of the Arno' (*Inf.* XIII, 146). In 1284 the Florentines began to build an entirely new and much larger circuit of walls to take in not

only the more urbanized areas stretching out beyond the existing enclosure along the major access roads, but also the undeveloped land between them, probably in the expectation of further development. Within the walls, too, the building of public works in Florence exceeded what was taking place elsewhere in Tuscany. By 1252 Florence had four bridges across the Arno within its walls – the Ponte Vecchio plus the Ponte Nuovo or Ponte alla Carraia (1218–20), the Ponte Rubaconte (1237, now Ponte alle Grazie), and the Ponte di Santa Trinita (1252) – whereas Pisa had only two until 1260. Moreover, the construction of the Rubaconte in Florence was part of a larger public works project that included paving all the roads in the city. In 1255 construction also began on the Palazzo del Popolo, later called the Bargello. Orsanmichele, after having been destroyed by fire, was rebuilt as a public grain market around 1290, and work began on the Palazzo dei Priori, otherwise known as the Palazzo della Signoria or Palazzo Vecchio, in 1299.

Private and ecclesiastical building was also conspicuous in thirteenth-century Florence. Already in the second half of the twelfth century, the urban landscape was punctuated with towers that belonged to the city's wealthiest families and consortia of families. More than fifty of them are attested from the eleventh to the beginning of the thirteenth century. By the middle of the thirteenth century, some were as high as 120 Florentine *braccia*, or about 70 metres. The popular government viewed the towers as physical manifestations of power and sources of civic discord, especially between pro-papal Guelf party members and pro-imperial Ghibellines, but they were also signs of development. In 1250, to promote reconciliation between the parties, authorities of the so-called *primo popolo*, the popular government, ordered that all towers be reduced to a maximum of 50 *braccia*, or about 30 metres, and then used the stones excised from the taller ones towards the construction of the extension of the urban enclosure in the Oltrarno. Around the same time, the new mendicant orders began to construct their churches just beyond the walls where there was still enough open space to accommodate their huge structures and large *piazze*. These churches included Santa Croce (rebuilt 1294/95) of the Franciscans and Santa Maria Novella (begun 1246) of the Dominicans. The new mendicant churches also included Ognissanti of the penitential order of the Humiliati (1256), Santissima Annunziata of the Servites (1250), Santo Spirito of the Augustinians (1250), and Santa Maria del Carmine of the Carmelites (1250).

Building in Florence was symptomatic of the city's commercial development. A year before construction began on the new twelfth-century

walls, Florence and Pisa had agreed to an important treaty that entitled Florentine citizens to favoured treatment in Pisa as well as access to the Mediterranean on Pisan vessels on the same terms as Pisan citizens.<sup>3</sup> Before the end of the century, through the port of Pisa, Florentine merchants were established in Sicily and presumably elsewhere in the Mediterranean basin where Pisan traders operated. The sources nevertheless offer only occasional glimpses of Florentine merchants in the Mediterranean because they typically travelled and traded as Pisans, taking advantage of Pisan privileges in foreign markets, using Pisan *fondachi* (warehouses), going through Pisan consuls in their relations with local authorities, and identifying themselves as Pisans. Even as late as 1245, Florentines were among the various Tuscan merchants in Acre who were still trading as Pisans.<sup>4</sup> The 1171 treaty nevertheless suggests that Florentine merchants were already trading in the Mediterranean in the later twelfth century.

The agreement of 1171 was also conspicuously one-sided, which suggests that the Florentines were already negotiating with Pisa from a position of power. The Florentine promise of military support was no doubt critical for the Pisans, who were then at war with Genoa and Lucca. Pisa's willingness to pay such a heavy price for Florentine support might have also hinged upon other factors, for example Pisa's dependence on timber from the Florentine *contado* (the countryside controlled by the city) for shipbuilding. Neither Pisa's shipbuilding industry nor the timber resources in Tuscany and their exploitation are well studied, but an early thirteenth-century epic poem about the second Balearic war (c.1114) suggests that the Pisans depended on the forests of the Mugello, especially for the wood used in fashioning the sail yards of their vessels; from the Mugello, the wood was carried on the river currents of the Sieve and Arno to the boatyards of Pisa. As Florentine commerce expanded in the thirteenth century, Florentine merchants secured further conspicuous concessions in Pisa. In 1256, for example, Florence obtained not only exemptions from most customs duties and tolls in Pisa and its territory, but also, significantly, an oath from the Pisans that they would use Florentine weights and measures in their dealings with Florentine merchants even in Pisa.<sup>5</sup> The ability of Florence to gain concessions of this magnitude a generation before the destruction of the Pisan fleet at Meloria in 1284 is probably an accurate barometer of the extent to which the Pisan economy was by then dependent on the commercial traffic through its city and port generated by Florentine traders. Florentine dependence on Pisa for the easiest means of access to the sea of course had its drawbacks. When political relations between Florence and Pisa deteriorated, the Pisans sometimes

closed their port to Florentine merchants, forcing them to use one of several hardly satisfactory alternatives such as Talamone and Porto Ercole in the Maremma or Pietrasanta and Versilia in the Lucchesia. Tactics of this sort were nevertheless increasingly self-defeating for the Pisans. When they closed their port to Florentine merchants, they also deprived themselves of an important source of revenue.

The early expansion of the Florentine economy depended in part on access to the sea because it enabled Florentine merchants to obtain raw materials for industry and to reach the foreign markets that soon became important outlets for the city's manufactured goods. Certainly by 1200, and probably earlier, Florentines were exploiting their virtually unlimited supply of running water for industrial purposes to finish and produce woollen textiles. The merchants of the Calimala guild (*Arte di Calimala*), originally the importers and finishers of northern fabrics in Florence and named after the street on which their guild was based, are first attested in 1192 and had their own distinct measure for woollen fabrics – the *braccio canne Callismale* – by 1205. The wool guild (*Arte della Lana*) is securely attested for the first time only in 1212, but had probably already been established by 1193, when there is a reference to the seven major guilds to which both the Calimala and wool guilds clearly belonged in the early thirteenth century. By 1264 a Florentine merchant named Clarissimo Falconeri was able to claim that he had been involved in the cloth trade for more than sixty years.<sup>6</sup> Some of the earliest commercial treaties of Florence, with Bologna in 1203 and Faenza in 1204, also show that the Florentine cloth industry was producing woollen textiles for export at the beginning of the thirteenth century and thus suggest that the industry was well established by then.

When the Humiliati arrived in Florence in 1239 and began to finish woollen textiles, they were therefore entering an already well-established industry. Within just a few years of their arrival, if not earlier, the industry was producing its own recognizable fabrics, *pannos Florentinos de lana* (Florentine woollen cloth). Textile manufacturing in Florence attracted surplus labour from the agrarian sector and spurred intense demographic expansion in the city, from a population of probably less than 20,000 in around 1200 to perhaps as great as 120,000 in the early fourteenth century. Concentrated demand for foodstuffs in Florence stimulated growth in agricultural productivity and the development of the trade infrastructure in the *contado*. By about 1308 the industry had some 300 workshops in the city. There were fewer workshops 30 years later, only about 200, and they produced perhaps 20–30 per cent less cloth, but by then, in what was

destined to become a recurring pattern of import substitution in Florence, the local industry had begun to produce more valuable high-quality fabrics in imitation of imported English ones, and the industry still sustained more than 30,000 persons in one way or another, at least a quarter of the urban population. While the very early development of the Florentine industry is shrouded in mystery, the city's entry into the commercial manufacturing of woollen textiles for export must have already occurred by the end of the twelfth century. At first, Florentine involvement in the cloth trade consisted in the importation of unfinished fabrics from Northern Europe and raw merino wool mainly from the Algarve and north west Africa, the so-called *lana del garbo* attested in Florentine sources, and the local finishing and manufacture of woollen fabrics from these materials, which then rapidly developed into a thriving industry.

The early trade of Florence was thus characterized by the importation of raw materials for industry and foodstuffs for the burgeoning urban population, partly from within the *contado* but also from further afield, and by the exportation of manufactured products and financial services (see below). This trade initially developed along three main trajectories. In addition to the one along the Arno to the seaport of Pisa, another extended north across the Apennines to Bologna and Faenza (and thence to points beyond), while a third went to the southeast along the Arno to Arezzo and thence to the Tiber and along Rome's river into central Italy. There were of course other lines of Florentine trade but these were the three most important, above all because they enabled merchants to make extensive use of inland waterways to reduce transport costs while facilitating the effective coordination of local, regional, and supraregional trade through interstitial secondary market towns such as Empoli between Florence and Pisa, Figline (Valdarno) and Montevarchi between Florence and Arezzo, and Borgo San Lorenzo between Florence and trans-Apennine destinations. These secondary markets serviced highly productive agricultural areas near the confines of the Florentine *contado* and functioned as centres of transshipment for Florentine imports and exports as well as outlets for Florentine manufactured goods. They also drew in foodstuffs and raw materials from tertiary markets both within the Florentine *contado* and beyond on the edges of neighbouring *contadi*.

An important factor in the early development of the Florentine economy, at least until 1250, was the easing of tension between Florence and the principal seigniorial powers in the Florentine *contado*, both lay and ecclesiastical, especially the Guidi counts, whose numerous possessions were spread throughout north-eastern Tuscany and along both sides

of the Apennines between Tuscany and Romagna. Some of the most important Guidi assets were nevertheless positioned along the edges of the Florentine *contado*. Hostilities between Florence and the Guidi reached their height towards the middle of the twelfth century. The main flashpoints were, from 1142 to 1153–54, the Guidi stronghold at Monte di Croce above the Sieve Valley in the hills northeast of Fiesole, and then in 1155, the *castrum* of Marturi on the main route between Florence and Siena where the Guidi were beginning to establish a foothold. After the death of Count Guido VI in 1157, however, both Florence and the Guidi recognized that continued belligerence was counterproductive. The succession to the royal throne of Frederick I Barbarossa (b. 1122; reign 1152–90) and his coronation as emperor in 1155 might have also helped to temper both the antipathies and anxieties that Florentine authorities and the Guidi felt for and about each other. In 1158, as the respective allies of Lucca and Pisa, Florence and the Guidi agreed to a treaty that effectively marked the beginning of a new more congenial phase in their relationship.

There were nevertheless teething problems. The peace was briefly shattered in 1174 when the Florentines attacked Poggibonsi in response to the continued efforts of the Guidi to consolidate their position in the area. Poggibonsi, which Villani later described as ‘situated in the navel of Tuscany’,<sup>7</sup> occupied a strategic position adjacent to the destroyed *castrum* (castle) of Marturi along the disputed frontier between Florence and Siena. It was also developing into an important interstitial market centre with its own commercial measure for grain. The Florentines regarded it as vital to their interests that it remained free of Guidi control. Within just a few years of the Florentine assault, Siena and the Guidi both recognized Florentine dominion over Poggibonsi and renounced their properties and rights in the town. It was another century before Poggibonsi was fully integrated into the Florentine *contado* and its trade network, but the rapprochement between Florence and the Guidi was complete by 1180 when Count Guido VII (late 1140s–1214) established direct ties with the city. He arranged to have his earlier marriage to Agnese of Montferrat dissolved and then married ‘the good Gualdrada’ (*Inf.* XVI, 37), the virtuous and well-spoken only child of a prominent Florentine citizen, Bellincione Berti de’ Ravignani, who had been the principal Florentine negotiator in the 1176 agreement with Siena and the Guidi. Dante’s glorification of ‘the lofty Bellincione’ (*Par.* XVI, 99) might have stemmed directly from his daughter’s pacification of Count Guido and the immense benefit that it brought to Florence in the form of a peace dividend.

The importance of cordial relations between Florence and the Guidi lay in the control that the counts exercised at key points along the main arteries of communication in the Florentine *contado*, for example at Empoli and Montevarchi, and the capacity that this afforded them to disrupt Florentine trade. Already in 1182 the citizens of Guidi-controlled Empoli submitted to Florence and granted all Florentine citizens safe passage through the territory of Empoli by land and on the Arno. Their submission was nevertheless a qualified one in so far as they agreed to defend Florence against all adversaries except the Guidi, but the Florentines were probably more concerned about the facility of safe passage through the territory of Empoli and the maintenance of good relations with the Guidi than they were about the outright subjugation of the town. The arrangement probably also benefitted the Guidi and Empoli nearly as much as the Florentines in the revenues generated for them by Florentine commercial traffic between Florence and Pisa.

Internal divisions between the sons of Count Guido VII eventually led them to partition the family patrimony in 1230. Relations between Florence and the Guidi remained amicable, which kept the main corridors of communication open and continued to facilitate the expansion of Florentine commerce and industry. Internal discord nevertheless made it more difficult for the counts to maintain the integrity of their estates and led to the accumulation of enormous debts. By the 1240s the Guidi had begun to dismember their estates to satisfy their creditors. In 1254–55 the heads of three of the four main branches of the Guidi counts were ultimately forced to sell to Florence their quarter shares of their extensive possessions and rights in Empoli and Montevarchi as well as Montemurlo, a hilltop fortress between Prato and Pistoia. Count Guido Salvatico of Dovadola (d. after 1299) held on to the remaining quarter-share for another two decades but was forced to sell it in 1273 to Florence explicitly to satisfy his debts. Seven years later, once again presumably to complete the conveyance, Guido Salvatico also sold a quarter share of the counts' urban properties on the eastern side of Florence in the Sesto Porta San Piero to the Cerchi, one of the families of 'new citizens' so disparaged by Dante's ancestor Cacciaguیدا (c. 1091–c. 1148; *Par.* XVI, 65). By the time of Dante, the holdings of the various branches of the Guidi counts were confined largely to the Apennines east and north-east of Florence.

The Guidi were not the only powerful lords with whom Florentine authorities had to contend to keep open the main lines of trade. The Alberti counts were originally associated with the development of nearby Prato, but they lost control of the city early in the twelfth century. By the

end of that century, their power was concentrated in the Pesa and Elsa Valleys and in the western Mugello along the frontier between the *contadi* of Florence and Prato. In the later twelfth century the counts developed a new fortified settlement near Certaldo at Semifonte, which posed a significant threat to Florence, particularly its bishops, who held extensive properties in the area. Under intense pressure from the communal government, the Alberti submitted to Florence in 1184 and again in 1200, but the continuing construction of Semifonte and the apparent refusal of Alberti vassals and other investors in the settlement to abide by the submission led the Florentines to raze the stronghold to the ground in 1202. After that, the Alberti largely disappeared from the sources for a half-century, which suggests that relations between Florence and the counts during the interim period were largely peaceful.

The Ubaldini lords were also important because they controlled portions of both the southern and northern escarpments of the Apennines north of Florence along some of the main trans-Apennine routes. In 1200 the Ubaldini lord Fortebraccio di Grecio agreed to safeguard Florentines and their possessions in the territory under his control along some of the main trans-Apennine routes in the usual manner, which suggests that the passage of Florentine merchants through Ubaldini territory was by that time common. In 1217 Ugo di Berlinghiero and other members of the Ubaldini agreed to observe a decision of Vitale degli Ubaldini regarding tariffs on goods sent northwards from Florence. These agreements facilitated the passage of trans-Apennine commercial traffic to and from Florence through Ubaldini territory and also assimilated the Ubaldini networks of distribution and exchange into the broader Florentine market network. The Guidi, Alberti, and Ubaldini networks, as well as the interdependent networks of the many Vallombrosan monasteries scattered across the Florentine hinterland, complemented the extensive urban-oriented network of the Florentine bishops. The overlay and intertwining of these networks not only facilitated the access of Florentine merchants to markets beyond the Florentine *contado* but also promoted economic integration within the *contado*, as attested for example in the standardization of weights and measures in the *contado* on the Florentine standard over the course of the thirteenth century.

After the death of Emperor Frederick II in 1250 and the virtual collapse of imperial power, relations between Florence and powerful forces in the *contado*, both lay lords and rural communes, rapidly deteriorated. The precise source of the new tension is unclear but the pressure most likely came from Florence in an attempt to exploit the imperial power vacuum and

to expand the tax base as part of a broader programme of administrative and fiscal reform. Soon after Frederick's death, the Florentines attacked strategically situated Guidi and Ubaldini outposts in the hinterland at Montaiolo in the upper Arno Valley and at Montaccianico in the Mugello, respectively. In 1252 the Florentines attacked Figline, where Count Guido Novello (c. 1227–93) of the Guidi counts had taken refuge with a band of Ghibelline exiles from Florence in rebellion against the city. Two years later, Florence tried once again to secure its hold over Poggibonsi, which for more than three decades had in fact behaved like an independent commune by negotiating a succession of treaties on its own behalf. By the end of the decade the Florentines had also launched assaults on the Alberti strongholds of Vernio and Mangona in the western Mugello. In the short term, conflict between Florence and the dominant seigniorial powers in the territory appears to have contributed to a general breakdown of order and a worsening of the conditions for trade, particularly along the main trans-Appennine routes, where all three of these seigniorial dynasties still controlled substantial territories. This is suggested in the rise of commercial reprisals between Florence and both Bologna and Faenza in the 1250s and several agreements between the cities to limit them. Another sign of deteriorating conditions can be found in the 1258 appeal of the Appennine convent of Santa Reparata near Marradi for Florentine protection against the injustices perpetrated upon it by 'powerful barons, counts and tyrants in its vicinity', which almost certainly refers to one or more of the branches of the Guidi.<sup>8</sup> The antagonism between the popular government in Florence and the Ghibelline aristocracy eventually led to the expulsion of the Ghibellines in 1258, which in turn resulted two years later in the backlash of Montaperti and the establishment of a new Ghibelline regime in Florence under Count Guido Novello.

The Ghibelline government in Florence soon gave way to a new Guelph administration, the so-called *secondo popolo*, but the Guidi continued their opposition to Florence, albeit in more surreptitious ways. Towards 1280, the Guidi took advantage of the rising popularity of the Florentine gold florin for their own illicit gain. Guido and Alessandro di Aghinolfo (1250s–c.1338) of the Romena branch of the Guidi counts enlisted a moneyer named Adamo of Brescia, also called Adamo of Anglia, to set up a clandestine mint in their *castello* of Romena in the Casentino to strike false gold florins. The production of florins containing three fewer carats of gold (12.5 per cent) than the virtually pure Florentine florins was discovered in 1281 only after a fire in Borgo San Lorenzo in Florence destroyed the *palazzo* of the Anchioni family and uncovered a large cache

of the coins in an apartment leased by a co-conspirator responsible for putting the coins into circulation in the city. The *spenditore* confessed and was burned to death in Florence with Maestro Adamo (*Inf.* XXX, 60–90),<sup>9</sup> while Guido and Alessandro di Aghinolfo made amends for their transgression by joining the Guelf party, thus giving rise to Guelf and Ghibelline factions within the Guidi and further compromising the ability of the Guidi to act in unison.

Factionalism in Florence persisted throughout Dante's lifetime, eventually precipitating the split in the Guelf party between the Cerchi-dominated Whites and the Donati-dominated Blacks that led to the expulsion of the Whites from Florence in 1302 and Dante's condemnation to exile. Dante bemoaned the factional politics of early fourteenth-century Italy and hoped that Henry VII of Luxembourg (c.1275–1313; king of Italy 1310; emperor 1312) would succeed in imposing his authority upon the Italian city-states and thereby end the discord, but Henry died before he was able to mend Italy's internal divisions, leaving Dante to conclude that the opposing factions in Italy, and above all in his Florence, were not yet ready for compromise. The extent to which internal discord in Florence and other Italian cities affected commerce is unclear. Some scholars have argued that factionalism in Florence in the later thirteenth and early fourteenth centuries originated in part from rivalries between merchant bankers, but others have pointed out that merchants from opposing Florentine factions often worked amicably side by side in foreign marketplaces, just as merchants from opposing cities, for example Florence and Siena, amicably engaged in trade or other business activity together abroad, sometimes even as partners in the same ventures.

In addition to the pacification of the Guidi counts and other seigniorial powers, two other factors that encouraged the expansion of the Florentine economy were the gradual insinuation of Florentine merchants into international finance, especially papal banking, and the recompense that they received for their support of the papal–Angevin campaign to wrest the kingdom of Naples from Frederick II and his descendants. Like the development of the woollen textiles industry, the advent of Florentine merchants in international finance probably dates back to the later twelfth century. Already in 1177, for example, Florentine bankers were turning up at the papal residence in Anagni near Rome. In the early thirteenth century, they were active in moneylending at the papal court, extending loans and providing exchange services to visiting prelates and other petitioners. Like other Italian merchant bankers at the papal court, they often collected on their loans at the Champagne fairs. Because the transport of

specie was risky, however, it was common for the merchants to use the moneys recovered at the fairs to invest back into the credit and exchange markets or to purchase commodities such as wool and unfinished woolen cloth for despatch to Italy. Exactly when Florentine merchant bankers became involved in this trade is unclear, but the accounts of a Florentine moneychanger working in Bologna in 1211 attest to exchanges on northern European currencies such as French *provisini* and *tornesi* that were common at the fairs, thereby suggesting that Florentines were already active by then in the exchange market at the fairs. Certainly by 1235 Florentines were travelling to the Champagne fairs regularly enough that Pope Gregory IX (b. c.1145; papacy 1227–41) granted Florentines attending the fairs protection against unjust prosecution in parts of France outside Paris and the Champagne dioceses of Châlons-sur-Marne, Meaux, and Langres, in effect, wherever they did not already have recourse to the institutions of justice.

In the 1230s the merchant bankers handling the transfer of papal revenues from local collectors to the papal treasury were still mainly Sienese, but the position of Florentine merchant bankers at the papal court improved substantially when Sinibaldo Fieschi of Genoa was consecrated Pope Innocent IV (b. c.1195; papacy 1243–54) and began his assault on Frederick II. To finance his project to bring down the emperor, the pope appealed especially to Florentine creditors, and when they were unable to meet his prodigious credit needs on their own, the Calimala guild of Florence stepped in and mortgaged its immovable property to mobilize the necessary funds. This no doubt helped to raise the profile of Florentine merchants in Rome, though it was perhaps only during the pontificate of Alexander IV (b. 1199 or c.1185; papacy 1254–61) that Florentines began to gain prominence as official bankers of the pope.

The paucity of the data on the early involvement of Florentine merchant bankers in international finance in general and in the transfer of papal revenues in particular makes it extremely difficult to assess the impact of these activities on the Florentine economy before the middle of the thirteenth century when substantial evidence for Florentine international merchant banking first begins to appear. The merchants involved in papal banking nevertheless probably benefitted from the deposits they took from collectors for safekeeping and conveyance to the papal treasury, despite the risks, far beyond their charges for these services. This is because they were often able to retain deposits for periods long enough to invest them profitably on their own behalf before consigning them to the papal treasury. In the fourteenth century the period between the initial

deposit of funds with bankers and their consignment to the papal treasury, when specified, varied from about two weeks to nearly three months with most of the transfers completed within seven weeks, but this perhaps reflects the efforts of popes from Boniface VIII (b. c.1235; papacy 1294–1303) onwards to limit the time between the deposit of funds with Florentine bankers and their consignment to the papal treasury. In the second half of the thirteenth century the average length of the period between deposit and consignment might have been longer, certainly long enough to permit short-term investment in commodities, above all in raw wool and unfinished cloth for transport to Italy, and in the credit and exchange markets.

In exchange for their financial support of the papal–Angevin alliance, Florentine merchants also received preferential treatment, especially in southern Italy. Florentines were already active in the Italian south, but their presence there took on an entirely different complexion after Popes Urban IV (b. c.1195; papacy 1261–64) and Clement IV (b. unknown; papacy 1265–68) beseeched Charles I of Anjou, Count of Provence (b. 1226; reign 1246–85) to assume the throne of Naples, which had been governed by Manfred (1232–66), the illegitimate son of Frederick II, since the death of Frederick's son Conrad IV (b. 1228) in 1254. Two years later Charles arrived in Rome and gained election as senator, and then set out for South Italy, defeating Manfred at Benevento in February 1266. A little more than two years after that, Frederick's grandson Duke Conrad of Swabia (Conradino, or 'little Conrad'; 1252–68) descended into Italy to assert his hereditary rights to the Neapolitan crown, but Charles stamped his authority on the kingdom by defeating Conrad at Tagliacozzo in Abruzzo in August 1268 and executing him in Naples in October.

Some Florentine companies, for example the Frescobaldi, started to request privileges from Charles of Anjou in South Italy even before he had defeated Manfred and was crowned King of Naples. Most other companies waited to see how events unfolded. Before the 1270s only a few companies actually received rights in South Italy, but the ones that did benefitted from privileged access to South Italian commodities, most notably hard-grain durum wheat from Apulia and Sicily, which they exported to northern Italian markets. In all cases, Charles demanded that recipients of commercial rights in South Italy maintain good relations with the Guelph party. The Angevin conquest of South Italy effectively completed what has been called the *guelfizzazione* of the entire peninsula south of Arezzo and Siena, which facilitated the trading relations of the predominantly Guelph Florentine merchant banking companies throughout the

region. The South, moreover, lacked its own well-developed textile industries, which ensured Florentine merchants a ready market for the principal manufactures of their city.

Other factors also contributed to and reflected the vitality of the economy in Florence. The earliest fragments of notarial registers of the city and *contado*, which survive from the later 1230s onwards, attest to an active private credit market in which notaries brokered short-term loans between lenders and borrowers, typically for relatively small amounts over periods from 2 to 12 months at 10 to 20 per cent interest. In the hinterland, a significant proportion of the loans were dispersed during the first several months of the year, typically from January through April, to be redeemed in agricultural produce after the forthcoming harvest, often in grain on the feast of the Assumption in August. In the early development of the private credit market, the mediating role of notaries was important in bringing together borrowers and lenders of different social classes. This is because borrowers, mostly small to middling owner-cultivators who most needed access to credit in the late winter and early spring, were unable to obtain loans from within their own social group, since other members tended to have similar credit needs. By the later thirteenth century there are signs that some notaries had begun to specialize in brokering private credit transactions, as attested in some late thirteenth-century registers of urban notaries that contain particularly high proportions of private loan contracts, over half of all acts in some cases. The register of one late-thirteenth-century urban notary, Ser Matteo di Biliotto, was probably more typical; the more than 300 loan contracts recorded in it over a little more than two years accounted for more than one-third of the total number of acts and ran to the value of nearly 12,000 gold florins.<sup>10</sup> If Ser Matteo's register is in any way representative, the nearly 600 notaries working in Florence and its *contado* very well might have redacted loan contracts to the value of more than 2.5 million florins per annum. Notaries also recorded transfers of credits and debits, sometimes on overdue loans. In the early fourteenth century, however, these kinds of credit transactions virtually disappeared from notarial registers as Florentine statutes ordered the acceptance of ledger entries as *prima facie* evidence for debt.

Merchants' ledgers from about 1250 onwards therefore provide another perspective on the local credit market in Florence. Entries for credit transactions in late-thirteenth-century ledgers suggest that most loans were notarized, but they also show that some were extended without any further record decades before ledger entries alone were regarded as sufficient *prima facie* evidence for debt. Ledger entries further show that creditors

routinely allowed their debtors to offset their debits in the form of credits with a third party, and they likewise offset their own debits by drawing on a credit owed by a third party.

In Prato and Montemurlo around the middle of the thirteenth century, Dante's ancestors routinely invested in the private credit market, charging interest rates between 15 and 20 per cent, sometimes explicitly stated, and even increasing their own patrimony through foreclosure at the expense of clients unable to satisfy their debt obligations. The Alighieri continued to invest in the private credit market throughout the later thirteenth century, but Dante himself appears in the sources mainly as a borrower, which perhaps explains his consignment of usurers to the seventh circle of Hell (*Inf.* XVII, 34–78). For Dante, the most notorious usurers of his time, identifiable in *Inferno* by the family arms on the money pouches that they wear around their necks, were the Guelf Gianfigliuzzi and Ghibelline Ubbriachi families of Florence, the 'sovereign knight' (l. 72) usually understood to be a former standard-bearer of justice of Florence named Giovanni Buiamonte de' Becchi (d. 1310), and two moneylenders of Padua, Reginaldo degli Scrovegni (d. before 1289) and the 'great usurer' Vitaliano, who is usually identified as Vitaliano Dente (d. 1309/10).

The credit market in Florence during the thirteenth and early fourteenth centuries still awaits detailed analysis, but evidence indicates that it was more casual and more informal, more conditioned by personal relationships, more permissive of overdrafts and delayed payments, and less disciplined than modern credit markets. The judicial enforcement of loan contracts and the seizure of immovable property from borrowers in default on loans are nevertheless attested in Florence from as early as 1233. The market appears to have been efficient, too, in the sense that recovery rates on outright loans and other extensions of credit might have exceeded 90 per cent. The widespread use of credit in Florence effectively expanded the money supply. It provided investors with the opportunity to gain a reasonable return on their spare capital at relatively low risk, while enabling borrowers to overcome temporary liquidity problems. The credit market also enabled workers in the agrarian sector, who still made up some two-thirds of the population in the territory of Florence and whose income was presumably concentrated at specific times of the year when their main cash crops were harvested, to spread their revenue out over the entire year. Initially, notaries brokered these credit transactions, but entries in merchants' ledgers had already begun to acquire a quasi-legal status in the thirteenth century. By 1325 the statutory acceptance of these entries as *prima facie* evidence

in Florentine courts effectively disengaged the notary from involvement in the kind of relatively modest short-term credit transactions that had previously made up a substantial proportion of his activity. This benefited both borrowers and lenders because it lowered the costs associated with taking on and dispensing loans as well as litigating over them should the need arise.

Still other factors contributed to the efflorescence of Florence in the thirteenth century, some local and others broader and structural. At the local level, the education system and high rates of literacy and numeracy in Florence no doubt helped to shape the city into a commercial powerhouse. Florentine merchants were also precocious in the development of the insurance contract, which reduced the risks associated with long-distance trade. In broader terms, the rise of Florence coincided with the expansion of overland commerce and inland river-bound trade, encouraged by the consolidation of communal government and urban authority over theoretically subject territories – namely, their respective dioceses or *contadi* – across much of north-central Italy. This helped to foster the growth of such inland centres as Orvieto and Perugia as well as the cities on the via Emilia from Milan to Bologna, while enabling communal authorities to negotiate commercial treaties with their trading partners that afforded foreign merchants recourse to local institutions of justice and thereby reduced the scourge of officially sanctioned robbery in commercial reprisals.

When the Florentine Guelf party split into the rival Black and White factions at the end of the thirteenth century and the Blacks, with the support of Pope Boniface VIII, gained control of Florence and then, in 1302, expelled the Whites, including Dante, the city was already approaching maximum expansion. By that time Florence had been undergoing sustained economic and demographic growth for more than a century, from the take-off in the second half of the twelfth century. The Florentine economy probably continued to enjoy modest growth throughout the first quarter of the fourteenth century and possibly into the 1330s, but the city's economy grew most spectacularly during the hundred or so years before the birth of Dante.

### Notes

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- 2 M. Amari and C. Schiaparelli (eds.), *L'Italia descritta nel 'Libro del re Ruggero' compilato da Edrisi* (Rome: Tipi dei Salviucci, 1883), p. 91.
- 3 F. Dal Borgo (ed.), *Raccolta di scelti diplomi pisani* (Pisa: G. Pasque, 1765), pp. 307–8; P. Santini (ed.), *Documenti dell'antica costituzione del comune di Firenze* (Florence: G. P. Vieusseux, 1895), pp. 5–6, doc. 4.
- 4 R. Davidsohn (ed.), *Forschungen zur Geschichte von Florenz*, 4 vols (Berlin: Mittler und Sohn, 1896–1908), vol. II, pp. 295–8, doc. 2307; R. Davidsohn, *Storia di Firenze*, 8 vols. (Florence: Sansoni, 1956–68), vol. VI, p. 751.
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- 7 G. Villani, *Nuova cronica*, ed. G. Porta, 3 vols. (Parma: Guanda, 1990–91), vol. I, p. 468 (VIII, 36).
- 8 Santini (ed.), *Documenti*, pp. 253–5, doc. 83.
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- 10 M. Soffici and F. Sznura (eds.), *Ser Matteo di Biliotto notaio: Imbreviatura. I. Registro (1294–1296)* (Florence: SISMEL, 2002), pp. lxii–lxiii.