

A service economy before the term existed

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What is a trading centre? The question seems simple; it lies at the heart of this book. A trading centre is a place where sellers and buyers meet, and where transactions can be concluded, performed and, if necessary, disputed under conditions of security sufficient for strangers to agree to deal with one another. That security rests on a set of functions that the Geneva of the fairs already provided.

The first function is the accommodation of people and goods. A merchant arriving with bales of silk of considerable value must be able to store them safe from theft and the weather. Geneva's innkeepers offered lodging, stabling, warehousing and often the custody of goods all at once. They also acted as sources of information and sometimes as intermediaries.

The second function is brokerage. At a fair, buyers and sellers do not always know one another. Brokers put them in contact, inform them about prices and quality, and sometimes guarantee the proper completion of transactions. Their activity was governed by rules intended to prevent abuses.

The third function is measurement. Weights, ells, measures of capacity: each region had its own. A trading centre must offer reliable and controlled measuring instruments, together with conversion tables. The public weigh-houses and the inspectors played an essential role here.

The fourth function is proof. Important contracts were concluded before a notary. The notarial profession, inherited from the Roman tradition and highly developed in southern Europe, provided deeds with evidential force recognised beyond borders. The registers of the Geneva notaries are, moreover, among the most valuable sources for the economic history of the city.

The fifth function is money changing and payment. Merchants from all over Europe brought a variety of coins. These had to be valued and

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converted, balances settled and credit arranged from one fair to the next. This is the function closest to banking, and the following chapter is largely devoted to it.

The sixth function is justice. Disputes between merchants had to be decided quickly, according to known rules, by competent judges. A fair whose justice is slow or partial loses its merchants. The Geneva authorities had understood this and saw to the speed of commercial proceedings.

The seventh function, finally, is taxation. Tolls, market dues and various charges finance infrastructure and security. But taxation that is too heavy drives merchants away. The whole art consists in finding the level that allows the services to be financed without discouraging the traffic.

Function of the medieval trading centre	Equivalent in the contemporary financial centre
Inns, warehouses, custody of goods	business hotels, logistics, bonded warehouses, safekeeping of valuables
Brokerage	brokers, financial intermediaries, trading platforms
Weights and measures	norms, quality standards, inspection and certification
Notaries and proof	lawyers, notaries, public registers, contractual documentation
Money changing and payment	banks, payment systems, foreign exchange market, trade finance
Merchants' justice	courts, international arbitration, mediation
Tolls and dues	corporate and personal taxation

This framework shows that the contemporary Geneva financial centre forms an ecosystem in which lawyers, fiduciaries, inspection companies, insurers, shipbrokers, arbitrators and public administrations all contribute to the security of transactions. The Fondation Genève Place Financière today describes a sector resting on three pillars — private and institutional wealth management, commodity trade finance, and commercial and retail banking — and stresses the presence of activities such as shipbroking and inspection, which together with finance form a “cluster” that it describes as unique in the world.¹ The logic of the ecosystem, for its part, was already present in the fifteenth century.

Key point. A trading centre sells transactional security. In the Middle Ages as today, that security rests on seven complementary functions: accommodation, brokerage, measurement, proof, payment, justice and

taxation. The strength of a centre lies in the quality of the whole, and its weakness in the most fragile link.

1 Notes

1. Fondation Genève Place Financière, presentation of the financial centre, geneve-finance.ch (accessed September 2026). ↩

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