

A. AGLAN, M. MARGAIRAZ, P. VERHEYDE (eds), *1816 ou la genèse de la Foi Publique. La fondation de la Caisse de dépôts et consignations*, Droz, Genève, 2006, pp. 200.

In Book Five, Chapter One (Part Three) of *The Wealth of Nations*, Adam Smith writes about “those public institutions and public works which, though they may be in the highest degree advantageous to a great society, are, however, of such a nature that the profit could never repay the expense to any individual or small number of individuals, and which it therefore can not be expected that any individual or small number of individuals should erect or maintain”. In this respect, the *Caisse des dépôts et consignations* has been the financial driving force above all others in contemporary France in the development of infrastructure works in France.

This book is about the founding of the *Caisse des dépôts et consignations* and the *Caisse des amortissements*, both founded on the 28 April 1816. It begins with the “rediscovery” of the first (and only surviving) historical archive of the two banks.

Often referred to as *jumelles*, not only did the two banks share the same date of birth, premises, chief executive and parliamentary watchdog committee: they both had a “*vocation à instaurer, entretenir et développer la confiance générale nécessaire au bon fonctionnement de l’Etat*” (p. 123). In 1816, after the bankruptcies and with the burden of war pensions, confidence in the constitutional monarchy was based mainly on public credit: the seals of the two banks bear the words “*Foi publique*” (hence this book’s title).

Of course, the mandates of the two banks were different. The *Caisse des amortissements* undertook to support and defend public interest by buying government stock in order to sustain its status instead of paying off the debt. When, forty years earlier, Jacques Necker, Turgot’s successor at the Contrôle Général, claimed that this kind of bank could nurture “*l’idée vague qu’il y aura peut-être un terme à la dette publique*” (p. 34), he had understood the importance of this reassuring device which could generate confidence, confidence being a fundamental requisite for economic development.

The *Caisse des dépôts et consignations*’ mission was to hold, manage and, above all, guarantee the funds deposited with it: as well as managing judicial and notarial securities (“*consignations judiciaires et administratives versées en*

numéraire) – the first and oldest kind of money deposited – this bank had to manage the banking transactions of the *Légion d'Honneur*, the *Université Royale*, the *Hôtel des Invalides* and the *Compagnie des Canaux*. With the law of 31 March 1837, which was drawn up significantly just before the first railway boom (1840-1847), the savings banks' assets were handed over to the Caisse.

The book consists of a preface and three parts, with two chapters in each part. Although of some interest, the appendix seems somewhat short.

The first part (*Précédents, héritage et débats*) is a history of the Caisse before the Caisse. On the one hand, it is the history of the economist Isaac Panchaud's bringing to continental Europe the theories of the Welsh mathematician and clergyman Richard Price. Price considered debt an evil which, allowing a person to live above his means, led sooner or later to bankruptcy. He proposed a gradual reduction of a debt until it was paid off (by raking off every year part of the income until he possessed it all). On the other hand, it is the history of the five amortisation banks active in eighteenth-century France (a table portrays France as the "*cimetière de Caisses d'amortissement*", p. 42); the last of the five, at the turn of the century, was the *Caisse d'ammortissement consulaire*, founded by Napoleon Bonaparte in 1799, and part of a panoply of reforms aimed at rationalising the running of the economy.

The second part (*Acteurs et enjeux politiques*) is the history of the political and parliamentary debate on the role and the assets of the twin banks from the period immediately before their founding (1814-1816) until the end of the 1830s. Particular emphasis is laid on the *invention* of a public discourse on *Foi publique*. Confidence, credit, faith, loyalty, commitment: everything was included, even the sacred ground of *Fides Publica*. Here, public banking is understood as an instrument of the nation's power and independence, rather like "*poudre à canon*" (p. 84).

The third part (*La Caisse des dépôts et les marchés de l'argent*) is an administrative and financial history of the two banks. The detailed analysis of the resources and the investments of the two banks is set in a more general context, caused by the presence, and the interaction with, other public or private banks (*Banque de France*, savings banks, the stock exchange, commercial banks). But, above all, it is based on the idea, put forward by Emile Péreire in *Examen du budget de 1832*, that "*en faisant de la finance on peut aussi faire de la haute politique*" (p. 125). Attention is paid to the protagonists and their biographies,

the experts and *grands commis* who moved between politics and administration, such as Corvetto, from Genoa, a minister during the period of the Empire and then during the Restoration, who founded the two banks in 1816.

Undoubtedly, in France, awareness of the country's institutional and administrative pre-eminence continues to stimulate research on the banks; it is to be hoped that in the wake of this research, other (perhaps comparative?) research on other national banks will be published, illustrating the role of this kind of institution in the economic development of a country. This is particularly pertinent considering that the French bank was a model for other states: for example, the Kingdom of Sardinia copied France by founding a "*Cassa di depositi e anticipazioni per i lavori pubblici*", followed by the Kingdom of Italy in 1863 with the "*Cassa depositi e prestiti*".

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J.W. DRUKKER, *The Revolution that Bit its Own Tail: How Economic History Changed our Ideas on Economic Growth*, Aksant, Amsterdam, 2006.

This book by Jan Willem Drukker, a prominent anthropometric historian, was first published in Dutch in 2003. Its English translation is welcome as it will make the book available to a much wider audience. In the foreword Drukker suggests that the book was meant to be an introduction to modern economic history, but it is considerably more than that: it provides a detailed and well-argued account of the evolution of the discipline from its origins until the present day. The book reveals a very impressive command of the literature on the part of the author. Its linguistic style makes the book highly enjoyable and easy reading for its target audience of undergraduate students. The notes at the end of each chapter are exhaustive.

¹ L. Conte, "Amministrare il risparmio: storia della Cassa depositi e prestiti, da azienda a impresa-organo del Ministero del Tesoro (1850-1913)", in M. De Cecco, G. Toniolo (eds), *Storia della Cassa depositi e prestiti*, (Laterza: Roma-Bari 2000), pp. 91-178.

The author's ambitious aim is to give an answer to two interrelated questions: (i) what are the main elements that have led to the success of the so-called "new economic history" (NEH); (ii) and what is the contribution of NEH in identifying the determinants of economic growth.

In the first chapter Drukker briefly introduces the so-called cliometric revolution, namely the introduction of economic theory and the use of quantitative methods and hypothesis testing in explaining historical economic processes. This revolution marked the reunification of economic history with economic theory, as Robert Fogel asserted in 1965.

Chapter 2 brings the reader back to the origins of "traditional economic history", depicting the *status quo* of the social sciences in the nineteenth century, and explaining the methodological debate between positivists and historicists, a controversy that led to the *methodenstreit*, a conflict out of which economic history was originally born. The conflict over economic methodology was essentially based on the choice between a deductive or an inductive approach in studying economic processes. The discipline of economic history, born in opposition to the deductive neoclassical school, was initially "fully focused on the description of the social environment in which that process occurred and the manner in which that environment changed in the course of time". Traditional economic history developed in isolation from theoretical economics until the middle of the twentieth century when the cliometric revolution took place and new economic history was born.

Chapter 3 is a pleasant diversion in which Drukker devotes an erudite chapter to discussing the *École des Annales* and the historical avant-garde in France. He explains the different paradigms on which the *Annales* paradigm was based; he also renders justice to an important member of the school, Emmanuel Le Roy Ladurie, as he remembers him as the first who adopted concepts from human biology in order to study the effect of economic changes. Such an approach gave rise in the 1980s to a completely new branch of cliometrics: anthropometric history.

The account of the conflict that arose between the new economic historians and the traditionalists on the one hand, and among cliometricians themselves on the other, is probably one of the book's most important contributions. The gap between these two schools of thought was not merely methodological and conceptual, but linguistic as well: the jargon used by the new economic historians was, to a large extent, scarcely comprehensible to most of the traditional

historians. Furthermore, NEH tended, in particular initially (1960s-1970s), to demythologize previously established "truths" without giving clear new answers. Drukker brilliantly names it "the Socratic contribution of NEH".

Furthermore, the collaboration between economists and new economic historians in order to fully explain economic growth was intense from the very beginning of the cliometric revolution. NEH's adoption of the neoclassical economic theory rendered this collaboration possible and fruitful. But the neoclassical framework seemed unable to explain long-term economic growth. In chapter 6, Drukker identifies what he calls "the black holes" in the neoclassical theory. Issues such as the Abramovitz (or Solow) residual, which is that part of output growth not explained by the growth of the inputs in a neoclassical production function, are a clear demonstration of the limits of the neoclassical paradigm in explaining economic growth. It is exactly at this point that the revolution bit its own tail, according to Drukker.

After having relied on the neoclassical paradigm, NEH turned its attention to concepts such as institutions and socio-cultural environment. The institutional approach of Douglass North and the evolutionary economics formally introduced by Richard Nelson and Sidney Winter are seen as possible alternatives to the neoclassical theory. In particular, Drukker sees the institutional approach as a return to the origins of economic history: the study of institutions reveals the importance of the particular socio-cultural context in which the economic processes took place. Therefore, the discipline that "fully focused on the description of the social environment in which that process occurred and the manner in which that environment changed in the course of time", and which had been eclipsed by the triumph of NEH, regains its own importance.

It is debatable whether, in order to fully understand long-term economic growth, we will have to dismiss entirely the neoclassical economic framework. The author does not deal with some relevant fields of research, such as game theory which has acquired an important role both in theoretical economics and in economic history. Nevertheless, this is an extremely well-written, useful and stimulating account of the development of new economic history that will remain a "must" for all economic historians, whatever their ideological persuasion, for very many years to come.

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O. GRANT, *Migration and Inequality in Germany 1870-1913*, Oxford University Clarendon Press, Oxford and New York, 2005.

Migration and inequality is an important subject in economic and social history in every period. It is therefore hard to find new issues and new fields of relevance. The historical aspects of migration in Germany during the Imperial era have been widely researched for decades, though mostly on a regional basis. Despite this, Grant's book presents many innovative issues and methods.

The general line of argumentation is a substantially theoretical one. The approach used here, however, is not to reflect on the broadly discussed theories about migration in fully-industrialised countries as a reference for the analysis in Imperial Germany, but to use theories borrowed from recognised economists W. A. Lewis (1954) and T. W. Schultz (1964) in analysing developing countries. Although these theories, supplemented by those M. Weber developed in his 1893 – 1948 works, are not "new", adopting them for the case under analysis is an innovation. Using these theories, some hypotheses from recent literature or derived from empirical findings were tested by econometric methods. The subject of the analysis was Imperial Germany as a whole, which was very welcome because most research deals with individual regions. However, Grant emphasises that his research focus is not based entirely on an internal view of Germany's development, as with some of his predecessors: he also takes into consideration external factors such as the closeness of East Germany to the neighbouring Polish-Russian border.

The labour-surplus hypothesis in Germany before and after the founding of the *Kaiserreich* is discussed. Then inequality in rural Germany, the differing make-up and size of rural property and labour conditions in various regions, together with general and regional demographic development, are researched as determinants of migration. Furthermore, agricultural productivity, inequality and labour surplus with regard to the development of the urban labour markets are the subject of deeper analysis in the process of German industrialisation and urbanisation until high-level industrialisation began to develop rapidly. A special chapter then analyses the effects of high-level industrialisation on migration and inequality from 1890 onwards, with considerations regarding the social structure and the general political situation within Imperial Germany, and Germany as a new and powerful actor in international politics. These analyses lead to some

astonishing results, substantiated by the economic theories adopted and tested econometrically, making careful use of contemporary statistical data. Some results will be questioned by pure historians because they may challenge some recent research. Other results regarding the Kuznets curve will cause debate among economists. However, these are themselves fruitful results for a piece of research

To sum up, Grant has produced a well-organised and well-written book with some innovative argumentation and results.

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J.I. IZQUIERDO MARTÍN, *El rostro de la comunidad. La identidad del campesino en la Castilla del Antiguo Régimen*, Consejo Económico y Social, Comunidad de Madrid, 2003, pp. 791.

Awarded a prize by the *Consejo Económico y Social de la Comunidad de Madrid* as the best piece of research, this particularly wide-ranging and detailed monograph presents an interesting analysis of the peasant world in Castile between the fourteenth and the eighteenth centuries, not merely historiographically, but also in line with the modern theory of social sciences applied empirically to a specific case. In fact, Martín begins by analysing the concept of rural life in modern age Spain. Comparing it to rural life in other European countries in the same period, he regards the Castilian peasant as an *homo oeconomicus* in the Hobbesian sense, for whom the land defined his sense of belonging to a specific community in the pursuit of his own independence.

Social sciences are then applied to a study of the rural world over the centuries and Martín's research shows how strong the aggregation factor was in Castilian rural society, which, on the basis of its own territoriality, developed a high level of internal organisation and the need to fight for recognition and to defend itself from outside interference.

The internal organisation of Castilian rural society has altered and adjusted according to different historical circumstances, its sole aim always being to assert

its identity at an inter-community level in a specific context: that of Castile, a feudal kingdom which, in the early modern era, was transformed into the hub of the great Spanish national monarchy, one of the first and oldest in Europe.

What strikes the reader most in the book is the quality of Martin's analytical research: firstly he examines the growth of Castile's rural "political body" in the fourteenth and fifteenth centuries, and then he traces the vicissitudes of its territorial dismemberment and aggregation in the subsequent periods. The community's main characteristic was that it kept its own social order and, despite the need to adapt to general developments affecting the Kingdom of Spain, managed to assert its own identity even in the refined cities of Castile.

In fact, what makes the Castilian rural world unique in a historical-political context was its being organised into town-like guilds, with their own hierarchy. This particularly complex organisation was subsequently replaced by an organisation with a horizontal structure, without losing, however, its strong local influence.

The advent of the absolute monarchy in the fifteenth century transformed the Castilian peasant into a *persona politica*, in other words, a subject with recognised political and social rights of which he was very aware. This condition strengthened the Castilian rural community to such an extent that it was particularly influential in the *venta de vasallos* (sale of vassalage) process in the Castile region which, together with Aragon, was the centre of the Spanish absolute monarchy.

This was possible because of the strong community identity based on territory which did not denaturalise the Castilian peasant, making him a "serf" or a mere "rural inhabitant", but which made him aware of his own rights as a subject (more quickly than in other parts of Spain). Martin sees in such awareness the Castilian rural community's undisputed contribution to the making of the Spanish "nation" during the eighteenth century.

However, there is a negative side to the question: Castile was incapable of social change from the nineteenth century onwards, with the advent of industry. It was only at the end of the Spanish Civil War and the establishing of Franco's regime that a situation which had impeded the region's social, cultural and economic modernisation was finally overturned. The dictatorship silenced the peasant community's voice, but gave it a populist imprint in the light of the nationalist spirit that was so typical of right-wing regimes such as General Franco's.

Contemporary Spain has fully incorporated Castile's rural society into today's

urban social order. However, this incorporation has dulled that proud sense of territorial identity, as though the peasant community of Castile had succumbed to "a one-way journey to the city which usurped its soul".

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T.A. KIRK, *Genoa and the Sea. Policy and Power in an Early Modern Maritime Republic, 1559-1684*, The John Hopkins University Press, Baltimore and London, 2005, pp. 276.

At the turn of the first millennium, in the general economic and social revival which overtook Europe and especially Italy, the maritime republics emerged, among them Genoa, which believed that the sea was its sole source of life and prosperity. The Republic of Genoa held control over the East-Central Mediterranean developing its overland trading with Lombardy, France and Flanders, and greatly increasing the financial power of its merchants and its bankers. In the mid-fifteenth century, the Turkish advance began to reduce considerably its field of action in the East, and continued to do so, while the forming of national states in the West, coupled with the geographical discoveries, offered Italian businessmen new opportunities for demonstrating their supremacy in the field of finance and trade. However, although Italian merchants continued to enjoy periods of prosperity, they were not able to withstand the assault of the Atlantic powers which set up a new trading system at a global level. Although Italy continued to have a part to play in this new system, it was no longer in the forefront.

Thomas Kirk chooses the Republic of Genoa as a basis for reconstructing the unsettled relationships between the Mediterranean and the rest of Europe at a time of profound changes. Starting with an analysis of Genoa's maritime policy, Kirk goes on to describe the building of a regular military fleet, taxation and shipping movements and the efforts to bolster the merchant navy and commercial traffic. Political debate, commercial systems and international relationships all feature: they were important transformation factors, not only

in Genoa's socio-economic situation, but in European expansion in general, against the background of continuous fighting between France and Spain.

The book is in two parts: the first part describes the political and economic events that gave rise to the Republic's constitution in the first half of the sixteenth century, and the relative distribution of power between domestic and international politics. The second part divides Genoa's maritime policy into three periods: a period of internal conflict and the consequent consolidation of the ruling class, marked by the intense financial activity at the Spanish court; a long period of withdrawal and political disassociation from Spain, with various attempts to reinvent Genoa's maritime vocation and no single coherent maritime policy; and lastly, the period of concentrated effort to revive Genoa as a maritime power, followed by the adoption of a free-port policy as an alternative to military armament.

In 1559, in his book *Della Repubblica di Genova*, Uberto Foglietta, a humanist priest and a member of the new aristocracy, summarised a century of proposals for naval rearmament, all of which were based on the conviction that the creation of a "fleet-state" would ensure glory for the Republic. Foglietta argued that naval rearmament would not only guarantee the commercial traffic in the port, but would also constitute an important source of vocational training and employment for noble young captains. Kirk retraces and justifies the policies that, over time, changed the founding principles of the first naval rearmament projects, according to the historical and political circumstances which arose in the centuries following Foglietta's criticism. In other words, the features that defined the "type" of Genoese "naval" projects were each time reinterpreted and adapted to the change in circumstances. All the projects, remaining to a greater or lesser degree faithful to the "type" theorised by Foglietta, aimed to revive the Republic of Genoa's glorious past, encouraged maritime trading and created the prerequisites to promote maritime activity among the nobility: the fleet Foglietta devised became, a century later, the emblem of the Republic's independence.

However the high costs and the consequent failure of these projects led to their abandonment in favour of an alternative project to revive the Republic's maritime power, influencing the patterns of maritime business and trade in the Mediterranean. The free-port policy was adopted, and this became the most significant aspect of Genoa's maritime policy. All the measures which regulated the relationships between convoys and the free port were part of a rational policy. The free-port policy and naval rearmament policy were not necessarily

at odds with each other: the state naval forces of the free port did not interfere with the port's traffic; and similarly, the military fleet's maintenance costs did not require special funding that could interfere with the free-port state's delicate fiscal balance. The political aims were to boost the tax base by increasing port traffic, to provide extra goods for local consumption, to influence the regional, and perhaps the international, flow of goods, and, in some cases, to pursue a competitive advantage for Genoa's maritime activity. With the exception of this latter, all these elements were to be found in Genoa's free port from the second half of the sixteenth century onwards.

During the period of decline that followed European economic growth in the fifteenth century, Genoa proved to be the only European city to possess vast sums of money. Its capital was tied up in Spanish finances until the mid-seventeenth century, when Genoa began to redistribute its capital in medium-term loans to sovereigns and public authorities throughout Europe. After having remained neutral for almost the whole of the eighteenth century, in order to protect its foreign investments Genoa concentrated on defending its interests in France. With the Restoration, this political and financial decision caused Genoa heavy losses which affected its economy, delaying its industrial development in the nineteenth century.

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R. REITH, *Lohn und Leistung. Lohnformen im Gewerbe 1450-1900*, VSWG Beihefte 151, Stuttgart, 2003, pp. 474.

Discussions in recent years of how to end the German economy's recession resulted in two proposals: (a) to stimulate demand in the consumer goods sector, (b) to reduce the unemployment rate by several measures, in particular by a reduction in wages and a new definition of work. This emphasises, firstly, the importance of wages and modalities of payment for work in relation to efficiency as a main element of the economy; secondly, it stresses the double function of wages, having an effect on consumer habits on the one hand and on the cost of production on the other. Within this framework it is of particular interest to know whether these problems

are distinctive features of the period beginning with the Industrial Revolution or whether one can find similar phenomena in the late Middle Ages and in early modern times. A host of data from the nineteenth century up to today and a variety of methods now greatly facilitate a rapid analysis of this and former periods. One may ask oneself how historians were able to carry out their research without knowing basic long-term numerical figures. The answer given by R. Reith is to gather, from a vast array of literature as well as hitherto unknown and unpublished sources from 16 municipal and 11 state archives, all available information about wages and types of wages in central European trade and crafts from 1450 to 1900.

Taking up arguments advanced by Ludwig Bernhard, Otto von Zwiedeneck-Südenhorst, Karl Bücher, Lujo Brentano, Gustav Schmoller and Werner Sombart, the author discusses the historical dimension of wages. He claims that the concepts of *The Stages of Economic Growth* (Walt W. Rostow) and of *The Unbound Prometheus* (David S. Landes) can no longer be maintained. Therefore one has to accept the idea of a steady process of *industrialisation* formed by competition between all economic regions of Europe since the late Middle Ages. This idea, too, reflects important changes in the concept of 'protoindustrialisation'. Reith reinforces this point by discussing different objections, concluding that "the wages received for work done, particularly for manufacturing goods, played a significant role with regard to the flexibility and elasticity of offers particularly in urban trades, a role that up to now had been widely underestimated by researchers in the field of economic and social history" ("dass der Leistungslohn, und besonders der Stücklohn, für die Flexibilität und Angebotselastizität insbesondere der städtischen Gewerbe eine bisher in der wirtschafts- und sozialhistorischen Forschung bei weitem unterschätzte Rolle spielte"; p. 16). Corresponding research, e.g. Hermann Aubin's study of the Nuremberg *Stückwerker*, Karl-Heinz Ludwig and Klaus Tenfelde's analysis of wages in the mining and smelting industry, or Bronislav Geremek's and Michael Sonenscher's work on performance and payment in the Middle Ages and in eighteenth-century France, respectively, underline the importance of the book under discussion here. The author demonstrates convincingly what can be achieved by making good use of sources. He is also able to point out the limitations of the different concepts of business mentality and/or developmental stages in economic life. Chapter II gives an overview of economic historiography. Here the author discusses specific items of economic history (e.g. quantitative and qualitative analyses of wages or the problem of wages and work) and puts them in a systematic

context, which enables him, in the subsequent chapters, to carry out a precise analysis of sources relating to wages and work.

In order to judge sources with respect to the industrial regions in Central Europe, the author discusses their role in the working process and its organisation, for differences within different sectors, for the development of supraregional labour markets, the mobility of journeymen and the significance of women's and unskilled labourers' work in relation to economic cycles since the Middle Ages. This background is essential in order to analyse properly and to comment on sources such as registers, craft codes and their preliminary files, reports and minutes made by delegations of trades and crafts, autobiographical reports, local and territorial wage rates, income tax tables and payroll statistics from the eighteenth and nineteenth centuries.

One way to extend working capacity was to reduce the number of religious holidays. To counter the workers' widespread habit of keeping Easter Monday with a general decline in the work ethos, local governments issued a number of regulations but, in the end, all efforts to achieve a common labour market policy failed because of the governments' divergent ideas about establishing an equilibrium between work, achievement and pay. It should be added that the situation was aggravated by the fact that the large number of sectors prevented any standardisation of performance rating and efficiency-oriented payment, thus making the transfer of practical solutions from one branch to another almost impossible.

The author is consistent in focusing his attention in the following sections of the book on different types of wages in the building trade, textile production and finishing, garment production, leather production and processing, woodworking and horn processing, paper making and processing, metal and pottery industries, food processing and services. The main result is that no branch shows a homogenous or linear development. Rather, it becomes obvious that there is a significant coherence between craft, working process and wage type. Within one and the same craft there could be several wage types. Un- or semiskilled workers as well as women were normally paid on a daily basis, a type of payment also common in the building and shipbuilding industries and for seasonal jobs, while piece-work payment could be found in the textile and metal industries. In the above occupations the duration of labour contracts varied. Bakers, butchers, brewers, millers and people in diverse services were paid twice a year or annually, normally in combination with board and lodging.

Thanks to Reith's work future research can no longer neglect his crucial finding that time wage rates and processing of resources on the one hand and piece work rates and the conversion of material on the other hand are intimately linked. For a piece-work rate to be settled it was necessary that job performance or output were measurable and the recording of material and working hours also possible. This method of payment made it possible to cushion fluctuations in demand. The quality of products also played an important role. Analysing the interrelation between working hours and method of payment and, considering the start of the decline in purchasing power in 1650, work, wage and conflicts in the eighteenth century as well as the impact of strikes can now be explained more precisely. R. Holbach's research (1994), carried out simultaneously, was also prompted by the lack of analyses covering economic development in different industries over a long period. It is remarkable that, on the basis of Reith's findings, outdated results of earlier research in the fields of work, working hours, work performance and type of wages appear in a new light. Moreover, Reith stresses the fact that the connection between work and performance is not a typical feature of a modern industrial economy. However, information on types of remuneration other than payment will never be obtainable from the sources. Another essential point of the present study is the discussion of the changes that occurred in the type of wages in different regions, centuries and branches. Thanks to accurate research based on an extensive body of sources and relevant literature; thanks, too, to several appendices, Reith's work forms an extremely solid basis for future studies in this highly specialised field, particularly that of economic regions.

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M. SAJA (ed.), *L'emigrazione italiana transoceanica tra Otto e Novecento e la storia della comunità derivate*, 2 vols., Trisform, Messina, 2003, pp. 856.

The study of emigration is endless, and continues to produce substantial works, such as the history of Italian emigration edited by Piero Bevilacqua, Andreina De Clementi and Emilio Franzina and published by Donzelli in Rome

in 2001-2002. Similarly, the two books edited by Marcello Saija from the University of Messina are also about migration flows, and are a collection of the proceedings of a conference, which aimed to deal analytically with a subject that has been widely studied for many years and to bring about a rethinking of the general theories about emigration.

One of the introductory papers (Franco Ramella, *Gli studi sull'emigrazione tra vecchi paradigmi e nuove prospettive*) clarifies the issue: "The precious piece of information for those who study Italian emigration is that the immense movement of the population over long distances at the time of its greatest development is a process characterised by continuity rather than by discontinuity". In fact, many papers deal with the life of the communities set up by the emigrants, an aspect studied recently not only with regard to transoceanic emigration: in 2000, Marie-Claude Blanc-Chaléard published *Les Italiens dans l'Est parisien. Une histoire d'intégration (1880-1960)* (Ecole Française de Rome), emphasising the *historicité de l'intégration*.

The conference has given rise to a "revisionist" interpretation which does not deny the negative consequences of social and economic hardship factors, which were obviously were the basic incentive for emigration. However, the "revisionist" interpretation identifies migration flows as individual or group movements within the context of family strategy, as the consequence of economic planning ("remittances") and as forerunners of a later emigration movement involving groups of relations and people from the same area of origin ("migration chains").

The conference took place in the Aeolian Islands, on Salina, which in the past had generated a movement of expulsive emigration: in 1889 a vine disease put the island's economy in jeopardy, giving rise to a huge exodus to North America. There was an international conference on emigration museums in June 2002, and one of these is on Salina.

The conference consisted of seven sessions: Italian emigration, the history of the communities of Italian origin in the United States; the history of the communities of Italian origin in Latin America; the history of the communities of Italian origin in Australia; the history of the communities of Italian origin in Canada; emigration in films; emigration and music. By examining the areas of origin and the countries where the emigrants settled, the conference highlighted the sectoral study of regional emigration, which enabled researchers to disprove the theory according to which less developed areas were the reservoir for

unskilled labour migration flows. Studying micro-areas (as in the case of Sicily) enables us to perceive the different processes of social and economic integration. As Saija points out in another book (*Italia ed America nel vissuto di tre generazioni italo-americane: primi risultati di una ricerca*), there was a very obvious difference in the experience of emigrants from the Sicilian coasts, mainly peasants, owning small and medium-sized plots of land, who formed mutual aid associations overseas and who became well-integrated socially and economically, and in the experience of emigrants from inland Sicily where the land was owned by a large land-owner: this emigration to the United States was characterised by uprooting and individualism, and for a long time these immigrants had the most menial jobs.

A rethinking about migration, especially migration from the richer areas, would enable us to focus on a situation which is very different from that which the traditional historiography of emigration described until not long ago. Such rethinking requires collecting accurate and wide-ranging data on the population, of the places of origin, on expatriation, on destinations, professions, distribution according to sex and marital status, education, age groups and so on. Obviously, recourse to documentary sources is vital, as Maddalena Tirabassi, who works for the Fondazione Agnelli, points out in her paper (*Luoghi per lo studio dell'immigrazione italiana*). Similar themes emerged between 1989 and 1993 in the four talks on sources for the history of emigration held in Rome (see *L'emigrazione italiana 1870-1970. Atti dei colloqui di Roma*, Rome, Direzione generale per gli archivi, 2002).

In his conclusions to the two volumes of the conference proceedings, Luigi De Rosa succinctly and efficaciously described the multifaceted nature of Italian emigration, which has fuelled the production of a huge number of studies, documentation and writings on the subject. As De Rosa points out, although emigration is not taught as a subject at school or university, "emigration is a complex phenomenon [and] is ground breaking both in the place of departure and the place of arrival; it breaks up well-established equilibriums, it causes imbalances that abate only with the passing of time or are absorbed by individuals and by the environment".

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J.G. WILLIAMSON, *Globalization and the Poor Periphery Before 1950*, MIT Press, Cambridge, Mass. 2006, pp. X-189.

Globalization and the Poor Periphery before 1950 gathers together the Ohlin Lectures delivered at the Stockholm School of Economics by Harvard's economic historian, Jeffrey Williamson, and, at the same time, summarises his research of the last fifteen years. The book focuses on the evolution of the Third World's economy, from the "first wave of globalisation" (1820-1913) to the "autarkic interwar years" (1914-1940). The analytical framework is provided by Heckscher-Ohlin, or Stolper-Samuelson, economics¹, and it is tested on a cross-section of countries divided into two categories: the "industrialising core" (Northwest Europe, United States, Australia, Canada) and the "lagging behind periphery" (Southeast Europe, Middle East, Africa, Asia, Latin America). I will try to synthesise here Williamson's main reasoning.

During the first global century, when commodity markets became increasingly integrated worldwide, two exogenous forces dictated the laws of motion of the periphery: the transport revolution and the industrialisation of the core. As a matter of fact, starting from 1820, the transport sector underwent a profound transformation which, lowering transport costs and freight rates, served to integrate national and regional markets around the world. At the same time, the productivity growth in the core, sustained by industrialisation, upheld the demand for primary products and raw materials. These two forces produced a boom in world trade, confirmed by the increase of export share in GDP. Terms of trade rose for all trading partners, erasing price differentials and producing commodity price convergence for tradable goods between the core and the periphery. The positive shocks benefited all countries, both those undergoing industrialisation and those lagging behind until, at least, World War I, when the end of the transport revolution, the slowdown of world economic growth and the retreat towards autarky caused a dramatic reversal in price trends.

Globalisation, however, had its own dark side, carefully highlighted by

¹ Original references are E. F. Heckscher, *The Effect of Foreign Trade on the Distribution of Income* (1st edn. 1919), and B. Ohlin, *Theory of trade* (1st edn. 1924), both translated and reprinted in H. Flam and M.J. Flanders, *Heckscher-Ohlin Trade Theory*, (MIT Press: Cambridge, Mass. 1991). See also W.F. Stolper and P.A. Samuelson, 'Protection and real wages', *Review of Economic Studies*, 9, 1941, pp. 58-73.

Williamson. Export expansion, as the Heckscher-Ohlin trade theory predicts, favoured the relative abundant factors: land in the periphery and labour in the core. So the wage-rental ratio fell in the peripheral countries, where land was abundant and labour was scarce, while it rose in the core economies where land was scarce and labour abundant, implying the relative factor price convergence. The rise of agricultural prices abroad, compared to the fall of manufacturing prices at home, led the periphery to specialise in agriculture while the core specialised in manufacturing². These dynamics generated two negative results. Firstly, since returns on land affected only a few landlords, the main distributional implication created a greater inequality in the Third World. Secondly, since faster economic growth had been associated with industrialisation, the Third World exhibited a slower growth, along with higher price volatility. At the end of the global century, the gap in living standards between the core and the periphery increased steadily. As a result, in the long run relative factor price convergence was accompanied by absolute factor price divergence.

How did the periphery react to these secular changes? The answer can be found, once again, in the Stolper-Samuelson paradigm. Since free trade damages scarce factors, while protectionism benefits them, peripheral countries enforced tariff barriers to raise domestic industrial prices, compensating in this way the import-competing industries. During the period from 1865 to 1900, in fact, the surge in tariffs was higher in the periphery than in the core³. Deindustrialisation fears, followed by strategic trade policy to counteract the protectionism of the core, led the Third World towards autarky, hindering in the long run economic growth. After World War I, the "global tide" came to a halt: the backlash to globalisation had turned the trade boom into a trade bust.

We can mention only a few of the many interesting aspects of Williamson's

² A similar process occurred in the European periphery. See I.T. Berend and G. Ranki, 'Foreign Trade and the Industrialization of the European Periphery in the XIXth Century', *Journal of European Economic History*, 9, 1980, pp. 539-584.

³ The topic is less explored in the literature. On the other hand, economic historians have deeply analysed European protectionism. See, for instance, P. Bairoch, *European Trade Policy, 1815-1914*, in P. Mathias and S. Pollard (eds), *The Cambridge Economic History of Europe, Vol. 8, The Industrial Economies: The Development of Economic and Social Policies*, (Cambridge University Press: New York 1989), pp. 1-160, and K.H. O'Rourke, 'The European Grain Invasion, 1870-1913', *Journal of Economic History*, 57, 1997, pp. 775-801.

book. First of all, the author gives a coherent interpretation of, and sheds new light on, the core-periphery relationship, which characterised the international economy during the nineteenth century. It is worth noting the historical lessons that can be learned, with the obvious caveats, both for theoretical economists and for policy makers. Nowadays, globalisation is one of the most interesting and debated issues around the world⁴. Secondly, the methodology adopted by Williamson, one of the most eminent scholars in quantitative economic history and cliometrics, links history to economics, thus rendering explicit the feedback existing between the two disciplines. Last but not least, the book provides an intellectual stimulus for young researchers approaching this field.

The reader, however, is left with some puzzling questions. If free trade favoured the returns on land in the periphery, and landlords increased their political power and income share, how could policy makers raise tariff barriers to compensate industrial lobbies? May other factors explain the cross-country variance of tariff policies? Is there a reverse causation between protectionism and slow growth? Did protectionism hinder growth? Or did slow growth lead to protectionist policies? In conclusion, Williamson's book provides consistent answers; nevertheless some questions may still be unanswered.

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⁴ See, for conflicting points of view, J.E. Stiglitz, *Globalization and Its Discontents*, (W.W. Norton Company: New York 2002) and J. Bhagwati, *In Defense of Globalization*, (Oxford University Press: New York 2004).

