

T. ASTARITA, *Between Salt Water and Holy Water. A History of Southern Italy*, New York – London, W. W. Norton & Co., 2005, pp. 352.

With the publication of *Between Salt Water and Holy Water* Tommaso Astarita, a lecturer in early modern history at Georgetown University in Washington, completes an important research trilogy on the history of Southern Italy: two of his previous books, *The Continuity of Feudal Power: the Caracciolo di Brienza in Spanish Naples* (Cambridge, Cambridge University Press, 1992) and *Village Justice: Community, Family and Popular Culture in Early Modern Italy* (Baltimore-London, John Hopkins University, 1999) are among the most important recent contributions to our knowledge about Neapolitan feudality in the modern age. In this, his third book, the subject of feudality in the modern age remains central in Astarita's reconstruction of the history of Southern Italy, but around it he unravels a long history which goes from Graeco-Roman ancient times to the integration of Southern Italy into a unified Italy in the second half of the nineteenth century.

The title of the book refers to the particular conditions of stability of the political borders of the Kingdom of Naples for over one thousand years – surrounded by the sea – *salt water* – and the Papal States – *holy water* – and the underlying theme is that in this region a series of historical features persisted over the centuries. Although Astarita's study is not markedly concerned with economic history, it is a valid instrument for an overall interpretation of the evolution of Southern Italy's production system. In particular, it may be useful to look more carefully at Chapters IV, V, VI and VII which deal with the modern age, because they describe the causes of that backwardness which has left its mark on the possibilities for economic growth and economic change in Southern Italy.

Astarita sees the increasing deficit in the commercial balance at the beginning of the seventeenth century as one sign of weakness in South Italy's economy in the modern age. Until the end of the sixteenth century, the value of exported goods had been substantially higher than that of imported goods in the Kingdom of Naples: contemporaries believed that Naples was experiencing a long period of growth in the main export sectors, such as wine and oil, both of which commodities were still in great demand in

Central and Northern Italy and in Central Europe. However, the production of corn, that other great commodity which had been the Kingdom's most important export, had begun to decline: the increase in population during the sixteenth century had, in fact, gradually reduced the Kingdom's corn surplus and had considerably decreased the advantages of exporting it.

Furthermore, although the Neapolitan region exported mainly agricultural commodities and raw materials, it exported manufactured goods too, such as finished silk, ordinary woollen cloth, and iron, copper and wooden utensils. The Kingdom of Naples' entry into Spain's vast economic circuit had led to growth in the production of manufactured goods for foreign markets: broadening the commercial frontiers enabled the products of Southern Italy to be sold outside the Kingdom, in the Iberian Peninsula and in all the territories of the Spanish Crown. The increase in exports, especially in silk, in the sixteenth century had been facilitated by inflation: the increase in prices, which was more marked in Spain than in Southern Italy, facilitated Neapolitan exports to such an extent that they posed a threat to the Spanish silk industry. The wars which the first Hapsburgs of Spain waged continuously contributed greatly to stimulating local production, especially the production of metals, textiles, shoes and tanned leather, which were required to supply the armies, while the need to increase the number of ships in the Spanish King's navy boosted the ship-building industry in the Kingdom of Naples.

The factors responsible for speeding up the development process in the sixteenth century were, on the whole, the same as those which caused the slackening in growth and hence a reversal of the cycle. The increase in population on the one hand stimulated demand and, on the other, reduced corn exports. At the same time, in order to produce essential foodstuffs, land was taken which had been previously used for valuable farming, such as viticulture and mulberry production, or for grazing, thereby causing a fall in income from land and the end of the exportation of these products. Furthermore, initially the Kingdom of Naples' incorporation in the Spanish Crown territories had produced a great advantage, because the involvement in international wars had been relatively slight. However, in time, especially in the first half of the seventeenth century, belonging to the Spanish Crown meant increasing taxation for the Kingdom of Naples.

Pressurised by the repeated requests for *asistencias* from Madrid, the Kingdom of Naples had to find the necessary means to satisfy them. The increase in the rate of taxation and the creation of new taxes were not sufficient to guarantee the revenue necessary to balance the expenditure. And so the state resorted to authorising third parties to collect the duties and taxes on consumption and production, and, above all, to the massive floating of government loans. Thus the state, on the one hand, amassed considerable wealth but, on the other, lost the sources of income, and so when other financial needs arose, the state was forced to farm out new taxes to private citizens in order to raise the necessary capital to curb the draining of funds. The drain on resources to finance the Spanish King's wars and to pay abroad the interest matured on government loans taken up by foreign investors, especially by bankers from Genoa, as well as the income enjoyed by religious orders, most of which they sent to Rome, were bound to cause a serious deficit in the balance of payments.

The effects of the plague in 1656 played an important part in the decline of the Kingdom of Naples: between a quarter and a third of the population died. The highest mortality rates were recorded in Naples and in the larger towns in the Kingdom, and there is no doubt that this affected industries which still flourished in the towns. The reduction in the numbers of merchants, artisans and cottage-workers, due to the plague, contributed to an increase in production costs, without there being a simultaneous increase in demand, since in rural areas, where there had been fewer victims of the plague, private consumption prevailed, especially in the textile industry.

Astarita pays particular attention to the connections between Naples and the provinces of the Kingdom in the modern age. Between 1600 and 1625, the city of Naples had a population of some 300,000, whereas the Kingdom of Naples had a population of about 2,500,000. Hence, because of the size of the population of Naples and the city's market, the rest of the Kingdom can be seen as the economic hinterland of its capital. However, the imbalance in the territorial relationship between Naples and its provinces must not be neglected. There were no medium-sized towns between Naples, the over-populated capital city and a place with a high level of consumption, and the uninhabited rural areas, where production took place. The fact that there were no intermediate towns and that there was not a widespread road

network prevented a more efficient organisation of the production and distribution system from developing in the modern age. The only important exception was the Salento area, where there was a deep-rooted tradition of exporting goods – oil, corn and wine – and a network of medium-sized towns which guaranteed sufficiently large local consumption markets and provided a basis for further stages of marketing the goods.

In this respect, Naples was a *unicum* in Europe's urban economy in the modern age: it was the over-populated capital of a relatively sparsely populated kingdom, and it appeared as a multiform, hard-to-classify entity. The fragmentation of the city's economic structure characterised the city's identity. Spanish rule gave economic growth a big boost in Naples, both in the commercial sector, with the development of the port, and in the building sector, with the initiatives promoted by the Viceroy Pedro de Toledo to redevelop and create vast residential areas and to rationalise the city's defence system, in particular by building the Sant'Elmo fortress.

Despite these interventions to develop the capital, Naples always remained closely linked to its hinterland, in a relationship which always went far beyond mere food supplies: for example, when fiefs were abandoned, many barons came to live in Naples and, to pay for the expenses of living in the capital, they were forced to reorganise the management of their estates. Furthermore, the presence of this class in the city led to the building of mansions which, unlike other ordinary houses, expressed their owners' desire for social and economic grandeur.

The reorganisation of the management of fiefs in Southern Italy in the seventeenth and eighteenth centuries hardly ever entailed a rationalisation of investments: it brought merely an increase in the widespread exploitation of local resources, with the inevitable consequence of disputes between the villages and the barons. Throughout the modern age, the Kingdom of Naples' feudal lords were constantly engaged in the struggle to maintain their own political, economic and social power. It was not until the second half of the eighteenth century that reformism, in the wake of Neapolitan Enlightenment which the new Bourbon dynasty encouraged, tried to weaken the power of the feudal lords in order to guarantee the enforcement of a universally valid law which was the same for everybody.

However, the economic power bloc which emerged from the modern age

outlived eighteenth-century Bourbon reformism and the processes of political and social renewal which continued until the end of the nineteenth century, i.e. until after Italian Unification. Astarita points out that the class of Southern Italian feudatories, who, with the abolition of feudalism at the beginning of the nineteenth century, had become large landowners, enjoyed exceptional longevity, linking its own interests based on the widespread exploitation of land and investments in government loans, with the weakness of the local ruling classes, who were incapable of overturning a system where Southern Italian products were destined either for a small domestic market or for an export chain of low value-added goods. These circumstances have affected growth possibilities in Southern Italy until very recently.

Gaetano Sabatini  
*University of Rome III*

E. BERNARDI, *La riforma agraria in Italia e gli Stati Uniti. Guerra fredda, Piano Marshall e interventi per il Mezzogiorno negli anni del centrismo degasperiano*, Il Mulino, Bologna, 2006.

At the end of the Second World War Southern Italy had many problems. There was widespread crime, the black market and smuggling were rife, and the peasants occupied the uncultivated land and the large estates. Among the many difficulties of post-war rebuilding, the Italian authorities had tried to legalise and regulate this situation, but there were still some very serious structural issues. The arrival of funds from the European Recovery Program, better known as the Marshall Plan, brought 1,300 million US dollars between 1948 and 1951 which were used to finance the importation of foodstuffs, raw materials and machines, but neglected the local supply of goods and services.

This dramatic context is the scene of the agrarian reform of May-December 1950, the first attempt to transform the rural world in Italy since Unification. By subdividing and expropriating large estates, and by inflicting a harsh blow on the large-estate system, Alcide De Gasperi's government, with the support of the American administration also in this specific sector,

attempted not only to put in order the situation in the country areas, but also to face the thorny issue of the backwardness of Southern Italy.

As is revealed in the Preface, Bernardi's research is a "narration" which defines the Italian agrarian reform as "limited", according to a central theory which considers the Italian rural situation contradictory and strongly conditioned by American influence, especially in Southern Italy. In particular, the peasant movement, supported by left-wing forces, would seem to have put strong pressure on the government and its relationship with the US administration.

Bernardi makes a detailed analysis of the diplomatic channels between the De Gasperi government and the Truman administration, and the issues of international politics that were discussed, arguing that the agrarian reform programme which began with the ERP clashed with the real conditions of the Italian countryside.

Although the plans were not "predetermined" and forced on Italy by the USA, but were the result of coordination and cooperation between the two governments, Bernardi points out that they came from the American historical and political experience – which was very different from the Italian experience.

Although the Americans realised that applying models of agrarian reform based on their own rural system would have increased the social and economic discrepancies in Southern Italy, the Americans agreed with the Italian government that it was necessary to "cure" unemployment, an aim which, however, ran counter to that of defending domestic production. Moreover, the considerable social conflict in Southern Italy and the international context of the first phase of the cold war contributed to making agrarian reform in Italy an issue of great commitment for the governments of both countries.

The clear and concise critical approach and the use of hitherto unpublished and very detailed documentation render Bernardi's book one of the best on the subject of the attempt to "reclaim" the Italian rural world which was a burden on the development of Italy as a whole.

The function of the *Cassa per il Mezzogiorno*, established in August 1950, is fully analysed both in its positive elements – the attempt to improve the economy of Southern Italy and of its inhabitants – and in its negative

aspects, such as the lack of stimulus for an autonomous process of modernisation in Southern Italy.

It must be added that the *Cassa* did not achieve the aim of improving the mental approach of Southern Italian society nor did it achieve the aim of bridging the gap with Northern Italy.

Lastly, it should be pointed out that the agrarian reform's long-term aim, to encourage the forming of small and medium-sized farms and reinforce the class of independent peasants – traditionally considered a peaceful element which guaranteed social stability – proved anachronistic and illusory. The new small farms proved to be not very viable and the massive emigration of the agricultural work force from Southern Italy to the north of the country was not averted.

Chiara D'Auria  
*University of Salerno*

P. CRAVERI, *De Gasperi*, Il Mulino, Bologna, 2006.

Piero Craveri's in-depth research has resulted in a "political biography" of Alcide De Gasperi, rather than a biography (other important biographies of De Gasperi have been published which Craveri has taken into due consideration), and this brings again to the attention of historians and politicians issues which are still very topical. Whether it was his intention or not, this is the end result of Craveri's highly praiseworthy historical research. The critic can merely convey the gist of the book to the reader, in the hope of whetting his appetite to read the book for himself.

To convey the gist of a study of events that involved De Gasperi for more than half a century requires a selection which economists call "heroic", in other words the sacrificing of material which must be judged subjectively and which perhaps also wrongs the author.

I have chosen a "cross-party" issue, the creation of the European ideal, for this review, putting aside the complex issues of the Trentino independence movement and the fate of the Hapsburg Empire, the First World War, the advent and the development of fascism in Italy, the Second World War and

the transition to the Republic of Italy and to an albeit “incomplete” democracy. References to the issue which dominated the political life of both De Gasperi and Italy as a whole have also been included: the role of the Roman Curia and of Catholic movements in Italy’s domestic and foreign affairs. The subject seems particularly apt for this period in history when the Treaty of Maastricht has given rise to the European Union.

Craveri carefully brings the reader to distinguish between irredentism (Battisti) and the independence movement (De Gasperi), and judges the latter more favourably in that – he argues – it did not suffer from the nationalism that led to fratricidal wars in Europe and involved the rest of the developed world, causing two world wars. The independence movement was consistent with the Roman Catholic Church’s idea of *christianitas* and with the social doctrine teaching which Pope Leo XIII’s encyclic *Rerum Novarum* had just promulgated, profoundly influencing De Gasperi’s action firstly in the Austrian Parliament (1911) and then in the Italian Parliament (1919).

This strongly Catholic-inspired matrix gave rise to De Gasperi’s staunch European vision and provides the reader with the key to interpreting, firstly, the success of the process of European unification, and then its apparent faltering.

Independence does not mean the selfish defence of a nation’s interests. On the one hand, it means political decisions which support the claims of smaller territories and of ethnic groups with deep cultural roots in the territory; on the other hand, it means taking part in cooperative action to protect the interests that pass over these claims, especially in foreign policy. In short, independence aims at providing good government rather than the claims of sovereignties that often fall into the hands of dominant power groups. Independence also means a clear-cut distinction between religion and politics, even though politics obtains advice and at times instructions from religion or rather from the ecclesiastical hierarchies. Craveri emphasises the existence of an “organic relationship” between De Gasperi and the “reformist” bishop of Trento – Celestino Endrici – who was a constant point of reference for De Gasperi’s political activity, first in Vienna and then in Rome.

As long as there was a rational management of European common interests – which can be summarised as the pursuit of peace and of prosperity (based on coal, steel, agriculture and stock-farming, the free movement of input and goods, the single currency) – the Community of European

countries worked well and recorded economic and social progress. When national egoisms got out of the rulers' control again, it began to falter, the explanation for which is to be found in the differences between the drive for independence and the drive for irredentism, in other words between the services of good government and the claims of national sovereignty.

On the basis of this interpretation, De Gasperi cannot be considered a great mediator, but rather someone who rigorously put into practice a political philosophy which has mediation as its *raison d'être*. In fact, De Gasperi never set out to change the status quo among existing powers, but aimed to get them to converge to resolve common issues. This explains both De Gasperi's political survival in the Hapsburg Empire and his ability to keep at bay the Italian Communist party and the Christian Democrats in the post-World War II years, and his conflicting interregnum with Fascism, which caused him much distress. His initiatives all bore the mark of the pursuit of the common good, that of the people (or the peoples in the Vienna Parliament); governments, acknowledging the noble aims and their own interest in doing so, in the end tolerated him; however, fascism did not tolerate De Gasperi because Mussolini had an all-absorbing idea which prevented him from allowing intermediaries between himself and the people, as without doubt De Gasperi seemed to him to be. Nor did Mussolini want any obstacles to his initiative of reconciliation with the Roman Catholic Church; this initiative could count on the benevolent attitudes of Pope Benedict XV and Pope Pius XI, despite the fact that it was an effective screen for the rise of fascist totalitarianism.

If the results of Piero Craveri's historical research have not been misinterpreted, this seems the explanation for De Gasperi's failure when he made a stand against the advent of fascism in an Italy which had emerged from the First World War as a victor. It also seems to explain his success, firstly in uniting for more than fifteen years the two political groups of Italian Catholicism and the liberal and social democrat factions of the country which had emerged defeated from the Second World War; secondly, in bringing Italy to a level of development comparable with the world's leading economic powers. De Gasperi is therefore not the father, but the child of an idea of the state which is lay, peaceful and productive.

The establishment of an idea of the state and of social wellbeing which De Gasperi could not share, together with his clear perception of politics' role

of service, enabled him to sense the end of his era, without anyone realising that this would have also signalled the decline of the idea of a European community that De Gasperi, Schuman, Adenauer and Herard had propitiated. If this conclusion is a correct interpretation of Craveri's research, it should be pointed out that when De Gasperi saw that his political life was over, he did not conclude that things would be worse, but merely that they would be different and that he was no longer able to serve the state and the people as he had done hitherto.

De Gasperi's death shortly after the end of his IVth Cabinet means that we do not know what he thought of the Italian government's populist-socialist orientation; historical method prevents us from making suppositions on the subject. However, using Craveri's interpretation we could go as far as to say that the technical constraints the Treaty of Maastricht imposed on the European Community in 1992 and the pseudo free-trade policy the European Union accepted in order to enter the global market context, have distorted the social market's "solidarity philosophy", driving Europe towards conservatism, and thus halting the process of political unification and reform. The very word reform, invoked repeatedly, has lost its logical and practical content and is now associated with defending the status quo, immobilism and the lessening of democratic rights with growing dissatisfaction on the part of the citizens of Europe.

We ask Piero Craveri's forgiveness for having gone beyond the scope of his excellent book, hoping that this does not detract from the light he has cast on the role of one of the key figures in the building of modern Italy, a subject that young people know nothing about, because they are not taught about it; and when some one does teach about it, it is not with the aim of educating, but to gain personal and political advantages. Craveri's book is difficult for the reader who is not accustomed to this sort of reading matter, but it is also an indispensable store of knowledge for a nation. As well as recommending that the book be read, we therefore recommend that it should be circulated widely in universities by means of a nationwide project, trusting that a philanthropist can be found who is willing to shoulder its cost.

Paolo Savona

*LUISS Guido Carli, Rome*

M. GIRELLI BOCCI (ed.), *L'industria dell'ospitalità a Roma. Secoli XIX-XX*, Padova, Cedam, 2006, pp. 577, and a historical atlas with 19 maps.

The economic history of tourism is both long and very short. As the history of wayfarers, merchants and, above all, pilgrims, it numbers many excellent works, including those by M. Romani and A. De Maddalena, to name only two Italian historians.

Tourism, however, has become an economically important activity, involving the masses, and as such began to be studied only in the last century. Consequently, studies on the history of tourism (see the works by F. Paloscia or P. Battilani) are often applied-economics studies which aspire to influence tourist policy.

The book edited by A.M. Girelli Bocci deserves attention for several reasons.

Firstly, for the subject of the research: tourism in Rome from Italian unification onwards. To have made Rome the fulcrum of the book leads Girelli Bocci to pose the problem: can a "model of tourist development" be identified (pp. 12-13)?

Secondly, because the research has been carried out by several authors with different academic profiles: it is written by economic historians, economic geographers and also by linguists. That part of the book about Rome's geography, with huge research on the location of hotels in Rome over a century, is of great interest, and I do not know whether research of such accuracy is available for cities such as Naples, London, Paris, Venice and Florence.

Thirdly, because the book's authors (and especially the editor) attempt to confront an issue which is very thorny, even for present-day researchers into the economics of tourism: the issue of relative statistics. This is an extremely complex subject (see p. 144), and the authors not only patiently assembled data from very diverse sources, but also used their imagination: it is sufficient to note that the *Guida Monaci* is used abundantly, being available almost uninterruptedly from 1871 until the present day. In Italy there have been some very valid scholars who have dealt with statistics on tourism, either directly or indirectly (for example, M. Ferraris, L. Bodio, B. Stringher, E. Corbino), and there is also the work carried out for many years by ENIT

(Italian National Tourist Board), but the uncertainties over statistics referring to tourism are still very real, and the cause of many misunderstandings.

The book has a preface by A. M. Girelli Bocci who also wrote the first chapter, which is mainly historical: "Rome: hotels and accommodation system in the liberal era". Although this is a piece of historical research, Girelli Bocci deals with at least three general issues: the "take-off" of interest in the economic role of tourism; to what extent the growth of tourism and urban development in Rome determine and condition each other; the importance – in actual fact extremely relative in that period – of Roman tourism in Italian tourism as a whole in the pre-first world war period. This chapter throws light on a subject which is typical of the statistics on tourism: the relationship between hotel tourism and non-hotel tourism which in those years concerned apartments and furnished rooms.

The next chapter by C. Capalbo deals with "the fashion market and tourism in the first thirty years after Rome became the capital of Italy". This is unusually interesting because it concerns tourist spending, albeit in a particular context.

The chapter by D. Strangio (which deals with "the happy 1920s" and the "opening" of cultural-tourist itineraries in Rome) takes the reader into the fascist period and investigates its tourist policy, evaluating, in particular, the impact the Jubilee Year of 1925 had on tourism in Rome.

The following chapter by M. Teodori deals with tourism in Rome "between the Great Depression and the Second World War". This is particularly interesting because it deals with facts which are totally anomalous in the history of Italian tourism, such as the impact of the Great Depression on tourism at a global level, the effect on tourism of the régime's mass rallies and of the many events organised during the fascist period, the effects the invasion of Ethiopia and the ensuing sanctions had on the numbers of foreign tourists. An accurately drawn map is a valid and stimulating support to ascertain whereabouts in Rome the hotels were situated.

The next two chapters (one written by F. Colzi and the other by A. Conti Puorger and L. Scarpelli) deal with the development of tourism in Rome between 1945 and 1980. This was the period when tourism in Rome really took off, and became well and truly established, the period which was a prelude to the "huge leap" of the last few years. Religious tourism is also examined.

This rich book ends with some chapters which, often with new interpretations, examine specific subjects such as Spanish tourists in Rome (by R. Vaccaro), German tourists in Rome (by S. Strippoli) and British tourists in Rome, this latter being a highly original socio-linguistic analysis by R. Salvi, A. Ponteselli and J. Turnbull.

This complex book may be of interest to economists too, and can be a pathfinder to try and define the "case of Rome" which is increasingly emerging as unique in the extremely rich panorama of tourist localities worldwide. Between 1995 and the present day, "Rome" has emerged with a hitherto unknown force and a distinctiveness. Having studied its structure, I am convinced that tourism in Rome can become the subject of research which includes an analytical systematization.

Rome is a unique "tourist resource": it is host to three different diplomatic delegations, it is the capital of two states, and it is visible heir to the capital of an empire; tourists come to Rome on business, for religious reasons, bureaucratic reasons, political reasons, cultural reasons, or because they are passengers on cruise liners. This has meant that there is no "tourist season" as such in Rome, and that tourists come from all over Italy and from all over the world.

The "Nuova Fiera" which has recently opened in Rome encourages tourism for conferences and trade fairs, affecting the geographical distribution of the city's hotels. The relaunching of the film industry could be another attraction for tourists, and could also attract capital and talent in an industry which is undergoing huge changes and is capable of renewing itself constantly.

The mainly "administrative" nature of the statistics concerning tourism makes the inadequacy of the sources of these statistics in Rome even more serious than elsewhere, with issues that scholars have only recently started to address.

It is to be hoped that tried and well-tested scientific method, and not last-minute improvisations, will be applied to future research on tourism in Rome and that it will start from this book edited by A. M. Girelli Bocci, which will surely continue to be a point of reference for studies on the history of tourism and, in particular, on Roman tourism.

Piero Barucci  
*University of Florence*

J.F.M. SWINNER, S. ROZELLE, *From Marx and Mao to the Market. The Economics and Politics of Agricultural Transition*, Oxford University Press, 2006, pp. 218.

In 1978 the Household Responsibility System (HRS) process began in the People's Republic of China: it was a substantial and well-organised agricultural reform to reduce distortions in the price trends of agro-industrial products and to re-allocate the "red" cooperatives in state-managed rural properties. This process came to an end recently with the Chinese agricultural sector's almost total integration into the market-economy mechanism.

A similar process of restructuring the agricultural sector took place about ten years later in the ex-Soviet Union and in the countries of Central and Eastern Europe as a result of *perestrojka* and *glasnost*.

In both cases it was a broader mechanism of an economic policy which aimed to convert the entire national economy from the planned economy system to the capitalist market system. Swinner and Rozelle analyse the causes, the conditions and the effects of this policy in the agricultural sector by means of a comparative analysis of the strategies adopted in China, in the former Soviet Union and in the countries of Central and Eastern Europe. The result is a detailed construction of a complex process that takes into consideration not only the kinds of reform undertaken but also the trends followed by the pricing policy, the rights of ownership and the deregulation of the agricultural market. The agricultural sector is often undervalued in studies concerning the change from a socialist economy to a capitalist economy because researchers and economists tend to give preference to the industrial and the service sectors. In actual fact, the greater simplicity and clarity of the agricultural sector's system of productive forces makes this historically interesting sector more suitable technically in that it demonstrates more effectively and more objectively the underlying relationships with the general economic situation, the political institutions and the reforms as a whole.

The book is in two sections. In the first section the reader finds an analysis of the various economic ideas for market reform and how these were implemented externally and "from above". The second section verifies the effect of these ideas on transition economies, applying them to the agricultural sector, evaluating them on a long-term regional basis and stating

their results and effects in relation to ownership rights , the restructuring of the farms and market deregulation.

It clearly emerges that in the People's Republic of China the success of the reforming policies in the agricultural sector was substantial and gradual, unlike in the former Soviet Union and in the countries of Central and Eastern Europe. Swinner and Rozelle maintain that this result may be attributed mainly to the level of decentralisation and to the greater propensity to decollectivisation found in China in the light of the general economic theories described in Part I. However, they believe that the "gradualness factor" was vital, too, as was, above all, the role of those who began the drive for reform: the Chinese ruling class which has always monitored and led this reorganisation in an institutional framework which has also undergone profound changes in parallel.

On the other hand, in the former Soviet Union and in the former "sister republics", after 1989 the political elite was overwhelmed by the collapse of the socialist regimes. Initially, this brought about a certain success in agrarian reform, but, in the long term, the absence of a stable institutional framework gave rise to negative effects (an increase in the price of agroindustrial products, a drop in the peasants' wages, and an impoverishment of the agricultural classes. In China, on the contrary, the Communist ruling class not only chose carefully the best indicators on which to intervene and the most efficient combinations of economic policy, but also prepared and adapted the institutional, social and market framework.

Independently of the initial conditions of the agricultural sector and the different capacity to access avant-garde technologies (the impact of which over time tends to diminish, as economic theory teaches us), China has obtained better results than the former Soviet Union and the countries of Central and Eastern Europe, also due to the partial "closure" to foreign direct investments imposed on the agricultural sector and to the fact that the deregulation process was not totally completed. In fact, according to Swinner and Rozelle, the best system of measuring the success of the reform is not the agricultural productivity index, nor the productivity trend, but their shifts over a period of time. The trend towards total deregulation (as in the model adopted both in Russia and in Central and Eastern Europe) does not take a planned economy to its highest efficiency level, because the attention to the size of the farms and the intensity of the capital employed in them are more important than the farms' privatisation.

It is appropriate to point out that at the time of transition, the economic systems of the former Soviet Union and its “sister republics” were poorer and less efficient than the Chinese economic system; the reform strategy in China has been carried out at the same time as the improvement in education and in the training of the elite both in the towns and in rural areas, in view of opening up the domestic market to foreign countries; the privatisation of state enterprises has been not only gradual, but deliberately slowed down by the Chinese authorities and carried out in a totally different way from the method of privatisation adopted in the Eastern and Central-Eastern European countries. In fact, there was not an immediate transfer of public properties to private operators, but a transfer to special start-ups outside the private sector, which, at a later date, arranged a prospective sale to private entrepreneurs. In the former Soviet Union and in the countries of Central and Eastern Europe, the market for the sale of state-owned assets has been created quickly and at times run by improvised managers, who were often ex-politicians or members of the Soviet ruling class, and were much more concerned with their own profit than with the good outcome of the negotiations.

Finally, the point that perhaps has not been sufficiently emphasised in Swinner and Rozelle’s book is that the transition from a planned economy to a market economy took place in China under a dictatorial regime, whereas in Eastern and Central-Eastern Europe it took place in an institutional and political framework which was at least formally democratic (and in any case still not well-established). This is very significant because its strong hierarchical basis has enabled the process of economic reform to enjoy a good succession of events, an excellent end result and a certain guarantee of transparency.

Chiara D’Auria  
*University of Salerno*

P. PECORARI (ed.), *Crisi e scandali bancari nella Storia d’Italia*, Istituto Veneto di Scienze, Lettere ed Arti, Venezia, 2006, pp. VIII-312.

The book edited by P. Pecorari collects the papers delivered at the “Luigi Luzzatti Day for the study of Italian modern history” – a conference held at

the Istituto Veneto di Scienze, Lettere ed Arti in Venice, on 19 and 20 November 2004. The volume deals with banking scandals and crises in modern Italy, exploring some of the main events from the political Unification until recent days.

In the introduction, Pecorari reviews two leading theories on financial crises. The first one, attributed to Minsky and Kindleberger, views exogenous shocks as the best candidates to explain crises. The second one, due to Friedman, Schwartz and Cagan, looks at the restriction of money supply, as the fundamental cause of economic slowdown.

The essay by T. Fanfani analyses the critical biennium 1865-1866 either in light of international factors – the US Civil War caused massive outflows of gold from Europe – or domestic ones – the increasing budget deficit and the fiscal policies motivated by government expenditures. The issue of forced circulation is also discussed.

G. Conti looks at the macro and micro approaches to financial crises. On one hand, Kindleberger highlights a sequence of “manias and panics” as the underlying cause of crashes, while Schwartz emphasises the role of the central bank, as a “lender of last resort”, in avoiding crises. On the other hand, agency problems, asymmetric information, and “moral hazard” phenomena have been posed by Bernanke and Gertler. Following a macro approach, Conti provides explanations for the financial crash in 1873. The increased liquidity caused by the forced circulation, the high expectation of profit following the opening of the Suez Canal in 1869, and the widespread euphoria of the international financial markets after the French defeat of Sedan in 1870, increased domestic demand, leading to a financial bubble linked to the upsurge of the stock values. The National Bank, reducing credit, failed to play the role of lender of last resort.

G. Zalin discusses the banking scandals of the years 1893-1894 against the wider context of the depression which began with the agrarian crisis of the 1880s. Among the main economic and social consequences, the worsening of the working class standard of living, and the rise of mass migration, can be mentioned. The reduced demand badly hit some industrial sectors, to which the most important banks of the country – such as the *Banca romana*, the *Società generale di credito mobiliare* and the *Banca generale* – were particularly exposed. The unsettled debts pulled those banks into a crash.

S. La Francesca defines the year 1907 as a turning point in the business cycle, dividing a phase of sustained growth from a phase of reduced growth. The downturn in share values, recorded in Genoa and Turin, led the banking system, directly involved in the ownership of the firms' assets, to financial difficulties. A consortium was established with the support of the Bank of Italy, aiming to save the *Società bancaria italiana* from bankruptcy.

Through the analysis of primary sources, A. Cova sheds light on the relations between banks and enterprise in the crisis of 1920-1921. At the end of World War I, the majority of Italy's large enterprises, including *Ansaldo* and *Fiat*, faced liquidity problems due to the conversion of their asset structure. In order to avoid constraints in the credit needed, they tried to acquire two of the most important banks in the country, *Banca commerciale italiana* and *Credito italiano*. Other banks, such as *Banco di Roma* and *Banca italiana di sconto*, whose management was deeply involved in hazardous operations, came into serious difficulties. A special independent division (*Sezione speciale autonoma*) was set up inside the *Consorzio per sovvenzioni su valori industriali*, foreshadowing the creation of state-owned banks and corporations in the 1930's.

F. Bof analyses the vicissitudes of the Thirties which led to the demise of the universal bank. The split between ordinary and investment credit gave rise to the specialisation of financial brokerage and shared ownership between banks and firms. *Istituto di liquidazioni*, and, later, *Istituto mobiliare italiano* (IMI) and *Istituto per la ricostruzione industriale* (IRI), created the so-called "state entrepreneur", operating massively to save banks and to unfreeze capital.

The volume ends with the contributions presented at the round table by P. Biffis, G. Brunetti, D. Croff, G. Di Taranto, and G. N. Mazzocco, and focuses on the transformation undergone by the Italian banking system during the last fifty years. In particular, the subject of the Basel II agreement is explored by Di Taranto, in the light of changes within the international economy. With the establishment of the so-called "Washington consensus", and the integration of the European Union dictated by monetarist orthodoxy, there has been a world-wide revival of market-enhancing policies. These policies, along with the ongoing globalisation process, facilitated the gains of the big trans-national corporations that have penetrated markets around the world through mergers and acquisitions. The regulatory system introduced by

Basel II, favouring larger banks, seems to boost such mechanisms. The risk for the Italian productive system, based mostly on small and medium enterprises, may be quite serious.

To conclude, the book offers an interesting summary of the most important vicissitudes of the Italian banking system over a century and a half, combining theoretical arguments with empirical evidence. Consequently, it provides many insights about long-debated issues of Italian financial history.

Gianfranco Di Vaio  
*LUISS Guido Carli, Rome*

L. PELLICANI, *La genesi del capitalismo e le origini della modernità*, Marco editore, Cosenza, 2006, pp. 536.

If this were merely a book of economic history, it could be said that it has similarities with two of the most stimulating schools in that discipline today: new institutional economics and mega-economic history<sup>1</sup>. But Luciano Pellicani's weighty volume, republished in a broader and enriched version, is a complete theory of the development of capitalism and modernity. As in the best sociological tradition, it reconstructs history, philosophy, economics and law. Pellicani applies a logical-historical method, in that he makes an abundant use of history – from the Greek *poleis* to the Mogul Empire, from the Spain of the Counter-Reformation to the China of the Ming dynasty – but for reasons of analysis and interpretation rather than for the sake of description.

The theories are strongly argued and many of them aim to overcome established historiographical *topoi*, but they are supported by an immense

<sup>1</sup> According to new institutional economics, "the momentum for economic change (or the sources of inertia holding back the process) were to be found deeply embedded in the fundamental institutions of society and state, as in the socio-cultural matrices of a country, together with the political process and legal system, which embodied in large measure underlying social and cultural determinants"; mega-economic history "carries the Braudelian tradition of *la longue durée* to an ultimate destination and can be seen as being in the long tradition of interpretations of world evolution in terms of working out a particular philosophy of history". See P. Mathias, "Economic History: Still Living with the Neighbours", *The Journal of European Economic History*, vol. 35, 1/2006, pp. 39-53.

bibliography which Pellicani uses expertly. His initial questions are not new<sup>2</sup>: "how is it that only in Europe and in its cultural appendages did the economy manage to free itself and, because it was free, by means of continuous expansion generate modern rational capitalism? Which historical circumstances made this release possible?" (p. 11).

In his quest for the original engine of Western development, and setting aside Max Weber and his Protestant ethics, Pellicani goes back beyond the Reformation to the city-markets of the late middle ages which Henri Pirenne described masterly: those city-markets were where the entrepreneurial bourgeoisie introduced double entry book-keeping, the bill of exchange, the bank, the enterprise and its organisation, and the functional distribution of time and its redemption: in short, economic rationalism<sup>3</sup>. Based on a philological analysis of contemporary texts, and especially John Calvin's, Pellicani argues that the Protestant Reformation and the Roman Catholic Counter-Reformation were merely historical forms of that adverse reaction to secularisation which can still be seen nowadays.

From the late middle ages and the early modern age, Pellicani slowly goes through time and formulates a general theory of open capitalism, which is free from the vicious circle of Marxism, which attempts to explain the economic phenomenon with economic factors alone.

The idea is that "the prerequisite of the modernisation process is the absence of a repressive central power" (p. 142). So "what prevented Islamic civilisation from finding the way to development was bureaucratic-military despotism" (p. 199); similarly, despite the Chinese having invented the compass, printing, gunpowder and a kind of bill of exchange, China's backwardness is attributed to "a hierarchised, authoritarian State" (p. 200). In Europe, the public power has been curbed domestically by the rule of law, and abroad by the balance of power among national states. The analysis of the structure of public power is crucial, to the extent that the original accumulation of wealth at the birth of capitalism is less important, at least

<sup>2</sup> Cf. *inter alia*, D. Landes, *The Wealth and Poverty of Nations: Why Some are so Rich and Some so Poor*, (London 1998); K. Pomranz, *The Great Divergence: China, Europe and the Making of the Modern World*, (Princeton 2000).

<sup>3</sup> Poggio Bracciolini predates Mandeville's fable of the bees. O. Nuccio, "Vizi privati e pubblici benefici. Il paradosso mandevilliano nelle opera dei mercanti-scrittori del Medio Evo italiano", *Rivista di Politica Economica*, April 1984, pp. 555-599.

(chrono) logically, than the institutional requisites of the process: the recognition, the safeguarding and the transferability of the property rights<sup>4</sup>.

The development of such a market, understood as a rule-bound economic institution, is opportunely described as a “powerful secularisation agent” (p.385): to innovate, in other words, to “propitiate the birth of what we shall desire only when we see it”<sup>5</sup>, means acquiring autonomy and venturing outside the sacred enclosure. This process of progressive secularisation is the key feature of Western modernity, i.e. of the transition from a closed society where “the tribe is everything and the individual counts for nothing”<sup>6</sup> to an open society (p. 446), “in which man finds himself obliged to choose” – to calculate – but always “at his own risk and peril”<sup>7</sup>.

Therefore the West, and all those who have accepted its challenge, seem to base their economic success on backing away when confronted with the claims of “megamachinery” (p. 172) and also on the institutionalisation of diversity. As Douglass North recently wrote: “In a world of uncertainties, ideological conformity can be dangerous. In the long term, it produces stagnation and decline, because human beings have to face continually the new challenges of the non-ergodic world, challenges which call for an innovative institutional creativity, since no-one can know which is the right course for survival”<sup>8</sup>.

In short, Luciano Pellicani’s book is crucial to our understanding of the development of capitalism and modernity (“a typically and solely Western invention”), and hence also to understanding that “modernisation and historic development are not at all the same thing” (p. 469). Above all, this book enables the reader to go backwards and trace the sequence of determining events in economic processes and momentarily to lift the veil on the human beliefs that trigger them.

Giovanni Farese

*LUISS Guido Carli, Rome*

<sup>4</sup> “Trade can not flourish in a State whose population does not feel secure about the possession of ownership, and where the respecting of contracts is not safeguarded by the law.” A. Smith, *La ricchezza delle nazioni*, (Turin 2006), p. 1098.

<sup>5</sup> F.A. Von Hayek, *La società libera*, (Florence 1969), p. 69.

<sup>6</sup> R.K. Popper, *La società aperta e i suoi nemici*, (Rome 1974), vol. I, p. 15.

<sup>7</sup> J. Ortega y Gasset, *Una interpretazione della storia universale*, (Milan 1979), p. 150.

<sup>8</sup> D.C. North, *Capire il processo di cambiamento economico*, (Bologna 2006), p. 68.

J. TAYLOR, *Creating Capitalism: Joint-Stock Enterprise in British Politics and Culture, 1800-1870*, Royal Historical Society, Boydell Press, Woolbridge, 2006, pp. x-256.

Taylor writes in this book's Preface: "Of course, companies were not an invention of the nineteenth century. Since medieval times, the state had delegated corporate powers to favoured subjects for public purposes, usually religious, educational or municipal. From the sixteenth century, corporate powers began to be extended to profit-making concerns".

The existence of privileged forms of association, from ancient guilds to chartered companies, is not new, just as the negative aspects and the ambiguity which public opinion associates with the exercising of monopolies are not new: "The creation of profit-making corporations with monopolies attracted controversy...: were these institutions really serving the public interest, or were they the by-product of cash-strapped monarchs selling privileges to the highest bidders?" Based on this question, Taylor presents a broad, well-reasoned survey of the different schools of thought on the issue.

A lecturer at the University of Lancaster, England, Taylor, together with Robin Pearson (University of Hull) and Mark Freeman (University of Glasgow), took part in the research project "Shareholder Democracies? Corporate Governance in Britain 1720-1844". The results of the project were presented in 2006 at the XIVth International Conference of Economic History in Helsinki (*The Limitation of Liability in British Joint-Stock Companies*). Research is based on analyses carried out in more than 500 archives which still survive and which refer to 500 joint-stock companies from various sectors of the British economy. Alongside Freeman and Pearson, Taylor is also the editor of the eight volumes (the first four were published in 2006 in London by Pickering and Chatto) of *The History of the Company: Development of the Business Corporation, 1770-1914*.

Taylor studies the strong impact of profiteering on Victorian society, despite the panacea of limited liability introduced in 1856, and the state's decisive role in the establishment of capitalism. He firmly argues in his conclusions: "This book has attempted to call into question such conceptualisations by drawing attention to the way in which the form of "free market" capitalism existing today did not emerge organically and inevitably,

but was the product of sustained government policy over a long period of time. The political debate on the role of big business in modern society would be enriched by recognising that by delegating political powers to businessmen, the state created political entities unchecked by any meaningful form of accountability, and, therefore, able to use their considerable powers despotically. Ultimately, it is only by recognising "private enterprise" as nothing of the sort that companies can be made to serve the public interest".

The most original and hitherto unpublished aspect that Taylor examines, an aspect which provides tangible evidence of not just economic implications, but also the wider legal, political and moral implications of the business carried out by the big capitalist enterprises and hence their consequences on British society as a whole, is their effect that can be seen on "the nineteenth-century imagination".

Taylor makes a point of stating: "Parliamentary papers and law reports give a very incomplete picture of society's attitudes", and insists on the value, as historical evidence "of social antipathy towards joint-stock enterprise and speculative activity", not only of literary or theatrical sources (plays, farces) but of the subjects of cartoons published, for example, in *Punch*, *Fun*, *Judy* and *Satirist*, an abundant selection of which are to be found in this book.

Ludovica de Courten

*Ministry of Cultural Heritage and Activities*

*General Archive Management, Rome*

