

Book Reviews

P. Barucci, S. Misiani, M. Mosca (eds.), *La cultura economica tra le due guerre*, Franco Angeli, Milano, 2015.

In recent years, cultural politics has become instrumental to our understanding of the tangled, and often problematic, relationship between power and culture. These two are set in a reciprocal relation, for the production of new knowledge and its dissemination in society through education, training and communication influence both politics and policymaking, while high-level political decisions deeply affect the university system's structure and functioning.

The last two decades have seen renewed historiographical interest in cultural politics, specifically as regards economic culture. This book, edited by Piero Barucci, commissioner at the Antitrust Authority, Simone Misiani, University of Teramo, and Manuela Mosca, University of Salento, presents the results of a research programme on Italian economic culture in the period 1900-1942, aimed at bringing into relief the pivotal role played by intellectuals, groups and institutions for Italy's economic development both in the inter-war years and after the Second World War. More specifically, the essays it contains address various aspects of the links between academia, as a source of culture, and politics in Italy during the Fascist Era.

The volume is a valuable addition to a strand of historiographical investigation grounded on the concept of economic culture, which, as the editors observe in the Introduction, entails a social setting in which economic contents, methods of analysis, representation and values are widely shared and accepted by the majority of economic agents, as well as by public and private institutions. According to the editors, the concept is highly useful in explaining long-term economic

and historical development, positing that the prevailing set of institutions may not be alterable as long as the culture remains unchanged.

It is well known that in the first half of the twentieth century a revolution took place throughout Europe in the field of economic thought, prompted by the socio-economic effects of the industrial revolution and by the First World War and its aftermath. In relation to these developments, economists and other experts began to play a public role, gradually taking on more and more public responsibility. That Italy took part in this general renewal of economic theory and practice is beyond dispute, but until now there has been a dearth of detailed historical research on the above-mentioned issues pertaining to Italy, particularly as regards the role of intellectuals, groups and institutions.

No doubt the relationship between culture and politics in Italy in the period considered needs to be carefully contextualised, and this is one of the signal strengths of the essays presented in the volume. The advent of Fascism in 1922, in fact, reshaped the whole cultural environment, deeply influencing the academic world. The book advances our understanding of economic culture in Italy in the years considered, focusing on the relations between Fascism, politics, institutions, universities and ideologies. Its multidisciplinary approach encompasses such fields as statistics, economics, financial mathematics, civil law, public economics, economic history and economic geography, giving us a fuller picture of an absorbing, heterogeneous environment.

The book's five sections mirror the different analytic paths of research pursued: corporatist themes and their international diffusion; institutions and their transformation; universities in the South of Italy and the teaching of economics; the development of economic disciplines; and, finally, the role of several leading intellectuals.

In the opening section, corporatist themes are analysed from several different perspectives. In the first essay, Antonio Maria Fusco, recalling a long-standing historiographical and political debate, examines the very concept of corporatism, in order to define the boundaries of an elusive

idea. Other versions of corporatism are then investigated: Fabrizio Amore Bianco analyses the new order envisaged by Fascist intellectuals between 1939 and 1943, while Luigi Calò Carnieri Carducci gives an account of the diffusion of the Italian model in Latin America in the 1930s, an intriguing area of research that certainly warrants further attention.

The essays in the second section concern institutional arrangements between 1900 and 1942, underscoring the impact of those arrangements on the evolution of the Italian economic environment after 1945. They focus on the transformation of banking during the inter-war period (Francesco Dandolo and Filippo Sbrana), the origins of the 1936 banking law and the creation of IMI (Giorgio Lombardo), and Banco di Sicilia's economic observatory (Salvatore La Francesca). In the third section, the core topic is the teaching of economic disciplines in the southern universities, with case studies of Naples, Bari, Palermo, Catania, Messina, and the Sardinian universities of Cagliari and Sassari.

The last two sections are devoted, respectively, to the development of economic disciplines and to some of their leading exponents during the inter-war years. The fields of study analysed include economics, statistics, economic geography, rural political economy, accounting and business economics. The intellectuals covered include Luigi Amoroso, Giulio La Volpe, Giovanni Demaria, Alberto Beneduce, Donato Menichella, Pasquale Saraceno, Amedeo Giannini, Giuseppe Palomba, Alberto de' Stefani and Attilio Garino Canina.

With this two-fold focus on academic disciplines and individual intellectuals, the volume makes a fundamental contribution to our understanding of the long-term consequences of developments in economic culture from the turn of the century to 1942, clarifying how the progress made in economic theory and techniques during the inter-war period were fundamental in shaping Italy's post-war expansion. Another significant contribution is the volume's extensive bibliography, an essential tool for further investigation of the historical and economic problems treated.

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Gérard Chouquer, *Cadastrés et fiscalité dans l'Antiquité tardive*, Presses Universitaires François-Rabelais de Tours, Tours, 2014.

Compared with the research devoted to late Roman taxation in the last forty years, relatively few studies have investigated the nature and structure of the cadastral operations that were an essential prerequisite to the organization of a system of taxation centred on the land tax. Gérard Chouquer's book helps fill this gap. Specifically, it examines the transformation of the notion of landed property from the Early to the Late Roman Empire, the relationship between the survey system and the late-third-century tax reform of the Emperor Diocletian (284-305 CE), and, finally, the impact of the new fiscal organization on tax liability, including the principle of distribution.

Chouquer begins with a detailed and lucid account of the fourth- and fifth-century sources bearing on what he calls the survey and cadastral operations. Chapter two highlights Italian evidence based on which Chouquer concludes that Diocletian's tax reform relied on a certain number of cadastrés compiled using different methods of marking the boundaries. In the case of Italy, for instance, one can distinguish between the earlier surveys, based on landed cadastre, and the new surveys, which were based on census so as to tax the previously exempt province. The core of the book – chapters three to five – deals with the main features of the organization of taxation under Diocletian and his successors. From the very beginning, according to Chouquer, the census was designed to measure landed properties, people, animals, and any other kind of wealth of a given region, in order to translate them into fiscal units. Each property was assigned a tax obligation, while the land retained its agricultural value, and this distinction was preserved in terminology. Being notionally distinct from land, the tax could not be jeopardized by the normal vicissitudes in the life of the properties (i.e. sale, transfer of ownership or loss of *possessio*). At higher organizational levels, the provincial administration grouped together several properties into larger entities (*consortia* or *capitula*) for tax purposes. The objective

was to appoint a single person responsible for collecting the total tax due from a given area, and, at the same time, to establish tax solidarity among the taxpayers recorded in the same tax district. The rule regulating this mechanism of payment was called contribution (*contributio*). A concomitant practice was the addition of uncultivated lands to fertile estates (*adiectio*). This annexation of land of differing quality to the same taxpayer has traditionally been interpreted as a means of extracting tax from the large landowners. Chouquer observes, however, that in many cases it was the large landowners themselves who were behind annexation. In other words, they sought more land in order to improve agricultural production; their ability to pay taxes was simply a precondition for access to new land. Accordingly, and in contrast with a common assumption, Chouquer argues that during the fourth century the agrarian economy was expanding. Against this background, he interprets the growth of the colonate system simply as a fiscal mechanism for controlling the taxable population without affecting the legal, economic and social status of the taxpayers. Further, he also asserts that the much-disputed issue of the accommodation of the barbarian armies on imperial soil can be understood from a fiscal point of view. Unlike Walter Goffart (2006), who framed that arrangement as a transfer of tax share from the Roman state to the barbarian soldiers, Chouquer argues that these armies were settled on land seeing it as but one part of the development of the estates as administrative units from which taxes were extracted. Put this way, the transition to the post-Roman kingdoms occurred within imperial structures.

Chapter six departs from the linear development of the discussion and returns to the various stages of the survey system. It emphasizes, in particular, the difference between the operations of surveying the land and the methods of recording the data for tax purposes. Chapter seven, finally, concerns the methods of tax assessment and the distribution of the tax burden among the taxpayers. With regard to tax assessment, Chouquer mostly relies on Jean-Michel Carrié's studies (1994), according to which, schematically, the tax system consisted of a

cadastral tax based on land (*iugatio*), a personal redistributive tax (*capitatio*), and, possibly, a combination of the two (*iugatio sive capitatio*), their application differing by region. But Chouquer also takes Carrié's thesis a significant step forward. Once the extent and quality of the soil (mostly dependent on the type of crop) were translated into tax units, he remarks, they became abstract measures. In this way, both the land and personal tax units became abstract entities, allowing the state to manage the extent of taxation according to its needs. This change clarifies the crucial distinction between land as an object of ownership and its tax assessment.

In the book's final section and conclusion, the author summarizes the main themes of his research, that is to say the transformation of the concept of ownership (*dominium*) and the development of the tax system in relation to this change, underscoring the principle of tax solidarity, the redistributive nature of tax, the cadastral basis of the land tax, and the two-fold legal terminology that reflected both tax and manorial relations in the late Roman countryside. The book contains two useful appendices. The first is a short glossary of terms pertaining to survey, cadastre, taxation and property. The second is a summary of the main arguments about the structure and nature of late Roman taxation, namely the *iugatio-capitatio* debate, from the jurist Accursius (1182-1263) to the present.

Chouquer's study raises doubts in several respects. To begin with, his notion of the colonate is unsatisfying. By referring to the double register of terminology, he accepts that the relationship of dependence between landlords and peasants cannot be reduced to tax exploitation. Yet, he fails to see that these relationships were but one part of the growth of the colonate system as a form of organization of labour. This misunderstanding is also revealed by the omission from the bibliography of the works by Jairus Banaji (2007; 2010) and Peter Sarris (2009), which are essential for this matter. Another critical point concerns the accommodation of the barbarian armies. Chouquer argues, in my view rightly, that during the fifth century the Roman state and successor

kingdoms ceded land to soldiers in order to retain control over taxes. But from the idea that estates were fiscal entities and landowners shared tax solidarity, Chouquer infers that the settlement of the armies contributed to the linear evolution of the system of taxation. The crucial question, however, is to evaluate the extent to which this arrangement – armies mostly settled and paid in lesser measure from taxes – brought about any change in the distribution of power and related resources. Notwithstanding these observations, Chouquer's stimulating, well-researched book must be considered a necessary reference for scholars interested in the economic and fiscal transition within Late Antiquity and the Early Middle Ages.

- BANAJI J. (2007), *Agrarian Change in Late Antiquity. Gold, Labour, and Aristocratic Dominance*, Oxford.
- (2010), *Theory as History: Essays on Modes of Production and Exploitation*, Leiden.
- CARRIÉ J.-M. (1994), "Dioclétien et la fiscalité", in *Antiquité Tardive*, 2, pp. 33-64.
- GOFFART W. (2006), *Barbarian Tides. The Migration Age and the Late Roman Empire*, Philadelphia.
- SARRIS P. (2009), "Aristocrats, Peasants and the Transformation of Rural Society, c. 400-800", in *Journal of Agrarian Change*, 9, 1, pp. 3-22.

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Ali Coşkun Tunçer, *Sovereign Debt and International Financial Control. The Middle East and the Balkans, 1870-1914*, Palgrave, Basingstoke, 2015.

Ali Coşkun Tunçer's work fills a historiographical gap concerning the establishment and the role of international financial control committees in Egypt, the Ottoman Empire, Serbia and Greece between 1870 and

1914, i.e. the era of the classical gold standard. For the first time this research draws interesting comparisons of the characteristics of the international financial committees in the countries mentioned, and of the exogenous and endogenous causes that led them to financial disaster. The cases examined show that these countries had all started to take out foreign loans in order to finance growing domestic costs for public works, ambitious reforms, the formation of internal consensus and the creation of the whole system of the modern state from scratch. The differences between them did not alter the result: the establishment of a financial committee for the international control of the revenues earmarked to pay the interest on the public debt.

In the introduction Tunçer underlines the purpose of the financial committees in these countries. In Egypt the creation of the Caisse, in 1876, heralded the control of state finances in 1882; in the Ottoman Empire the creation of the Board of Directors of the Ottoman Public Debt, in 1881, did not lead to any additional commissioner of the Porte. Differently, the international financial committee created in Serbia in 1895 had the sole aim of handling the administration of state monopolies, whereas that formed in Greece in 1898 involved the direct diplomatic representation of the great European powers.

The first chapter ("Governing Sovereign Debt: Defaults and Enforcement, 1870-1914") shows the lack of an international legal framework to govern conflicts over the management of a foreign debt default. This resulted in coercive actions by the creditor powers (they abandoned this method only in 1902). In fact, other, functional methods of default management and debt restructuring were available: for instance, reaching agreement with most of the creditors. This approach, called the Collective Action Clause, would have avoided a situation in which a minority of creditors could prevent any agreement.

Chapters three to six offer case studies of the four countries. In chronological order, the author begins with Egypt ("Political Control and Military Conquest: Egypt, 1862-1914"), which – formally dependent on the decisions of Constantinople – negotiated its first official loan

only in 1862. Nevertheless, Egypt was able to start work on the Suez Canal by issuing treasury bills.

As in the case of the Ottoman Empire, the excessive burden of the public debt, within a general context of economic crisis, forced Egypt to yield to the pressure of the creditors in the mid-1870s. The creation of the Caisse and the establishment of "dual control" from the '80s led to compulsory administration – not without some political problems. The powers, especially Britain, represented by Lord Cromer, subordinated the Egyptian Khedivate to their will. Even though the Caisse acted differently from the Board of Administration of the Ottoman Public Debt, in both cases the rulers did not care about the solvency of the state and drastically underestimated the causes of any debt burden. In the fourth chapter ("Fiscal Policy Control and Cooperation: The Ottoman Empire, 1854-1914"), the author recounts the history of the Ottoman foreign debt, from the creation of the Board of Directors of the Ottoman Public Debt to 1914. Unlike Egypt, Constantinople had been taking out foreign loans since the end of the eighteenth century, but only during the Crimean war, in 1854, did it open to the international capital markets, continuing until its unilateral default in 1875-76. External causes, such as frequent wars, combined with internal causes, such as current spending and costly reforms, to drive the Porte into the arms of foreign creditors. The international financial committee created in 1881 opened the way to the creditors' control of the so-called six indirect revenues, until 1928. Along with the Imperial Ottoman Bank, created in 1863 with British and French capital, the international committee restored credibility to the Ottoman finances and enabled Constantinople to acquire new funds at more advantageous interest rates.

The fifth chapter ("Control, Political Reform and Competition: Serbia, 1878-1914") deals with the case of Serbia, which began to take out international loans even before its official recognition as an independent and sovereign state. Independence became effective in 1881 and brought a series of international loans that led to the establishment of an international financial committee in 1895. In fact, in 1893 Serbia allocated

one third of its state revenues to debt service, an unsustainable amount. The increasing debt brought the Karlsbad Agreement of 1895 and opened the way for the creation of an independent Council for the administration of the state monopolies, which managed these revenues on behalf of creditors. Differently from the cases of Egypt and the Ottoman Empire, and rather similar to the course of events in Greece, the international financial committee for Serbia operated through an independent company, without being able to penetrate into the financial system of the country.

Chapter six ("Financial Supervision and Political Resistance: Greece, 1879-1914"), like those that precede it, roughs out the financial history of a single country, including its default and the consequent establishment of an international financial committee. Unlike the other cases studied in the volume, Greece featured the dominant role of the National Bank of Greece over the country's monetary system. The public debt, which first arose during the war of independence against the Ottoman Empire, put Greece in a precarious financial position for most of the nineteenth century. The agreement reached with creditors in 1878 induced Greek administrations to overborrowing in the international capital market, leading to the bankruptcy of 1893. Despite the punitive demands of the creditors, a financial committee was not formed until the Greek-Ottoman war of 1897. Differently from the other cases, in Greece it was not the creditors but the diplomatic representatives of the great powers who oversaw the revenues of the state monopolies needed to secure payment of the interest on the debt.

In the last two chapters ("International Financial Control and Sovereign Risk" and "Resistance vs. Cooperation: Political Economy of International Financial Control"), the author sets out a masterful reasoned comparison of divergences and convergences among all the international financial committees. William Wynne's work, *State Insolvency and Foreign Bondholders*, Vol. 2, published many decades ago, had already provided a detailed analysis of each country (adding the countries of South America, Bulgaria and Portugal but excluding Serbia). However, he

did not give such a reasoned and detailed summary of the most interesting points linking the four countries studied by Tunçer. The international situation, as a common variant for all countries, meant that “during the classical-gold-standard era, underwriters not only acted as intermediaries between lenders and bondholders but they overtook the role of lender of last resort when issues failed”. Despite this common variant, monetary affairs did not play a significant role except in the case of Greece. The four countries did not react in the same way to the establishment of an international financial committee. On one side, in Egypt and in the Ottoman Empire, where the central tax system was not yet operative, the governments preferred to cooperate with foreign creditors rather than with private debt collectors (tax-farmers) or local élites. This brought benefits in the form of greater access to international capital. On the other side, the governments of the democratic states of Serbia and Greece, which already had centralized fiscal systems, did not share tax revenues with foreign creditors. Consequently, they were more severely penalized in international markets. In the conclusion, the author maintains that the relationship among the central government, the respective parliamentary bodies (where present), the local élites and the taxpayers acted as a constraint on the exercise of control by the creditors, or as an incentive for mutual cooperation. In Greece, the international financial committee and the government were in perpetual conflict, which affected the spread on Greek bonds, while in the Ottoman Empire the government worked in harmony with the bondholders, restoring the credibility of Turkish bonds on the international market.

Tunçer observes that the establishment of an international committee may have been due to diplomatic mediation (as in the case of Greece), intermediation with creditors (as in the cases of Egypt and the Ottoman Empire), or some hybrid event (as in the case of Serbia). In our own opinion, however, this distinction was not so clear-cut. For instance, in the Ottoman Empire, before any important financial action was taken by the Board of Directors of the Ottoman Public Debt, which was run by

private creditor representatives, there was always major diplomatic activity on the part of foreign embassies and governments to persuade or dissuade the representatives of the creditors in respect of the decisions pending. This is evidenced by a remarkable series of reports from the Italian Embassy in Constantinople that show the diplomatic meddling behind all financial transactions, which were very often linked to political alliances between Italy, France, Britain and Germany.

Throughout his comparative analyses, the author points out that these committees actually produced real benefits in terms of international credibility and the narrowing of spreads, helping countries such as Egypt and the Ottoman Empire to finance themselves and to benefit from lower interest rates than in the pre-committee era. That is, while the committees worked to the detriment of national sovereignty, they also carried real benefits for the public finances.

To conclude, in our opinion Ali Coşkun Tunçer's work is essential reading, both for experts in the field and for all those interested in deepening their understanding of the role of international financial committees in the Mediterranean in the nineteenth century.

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E. Danescu, S. Muñoz (eds.), *Pierre Werner and Europe: His Approach, Action and Legacy*, Peter Lang, Brussels, 2015, pp. 425.

The 27th and 28th of November 2013 Luxembourg hosted an international conference to mark the centenary of the birth of Pierre Werner, a figure who contributed significantly to making the history of European Union. The event was organised by the Centre Virtuel de la Connaissance sur l'Europe (CVCE) in cooperation with the Pierre Werner Foundation, the University of Luxembourg, Robert Triffin International and the European Commission Representation in Luxembourg.

The CVCE studies European integration from the historical, legal, eco-

conomic and political standpoints, with the support of ICT instruments to conduct research and knowledge transfer.

The proceedings of the conference have been collected in the volume entitled *Pierre Werner and Europe: His Approach, Action and Legacy* edited by Elena Danescu and Susana Muñoz, who are respectively researcher and Head of European Integration Studies at the CVCE. Apart from the conference proceedings, the volume also contains short biographical notes on the people who contributed and pictures of the event.

The proceedings are divided into four parts: Part I is dedicated to Pierre Werner's life and his personal and political commitment to European Union, Part II concerns the Werner Report, Part III examines the link between the Werner Report and the Delors Report, and Part IV discusses the challenges and prospects for economic and monetary union in the light of Werner's legacy. Significant contributions came from exploitation of the Werner family archives, thanks to a partnership between the CVCE and the Werner family.

Pierre Werner chaired the Werner Committee, which issued the Werner Report on 7th October 1970, after seven months of debate and awkward disputes on the political and economic future of Europe. The Report was a milestone in the history of the European Union, inspiring the eventual subsequent steps towards Economic and Monetary Union, even though it revealed weaknesses and was abandoned *de facto* in 1974.

Pierre Werner's fundamental idea was that economic integration could be realized by pursuing convergence between Member States on both monetary policy and public choices within a common European market. The final objective set out in the Werner Report was the irrevocable fixing of exchange rates between the European currencies in order to replace them all with a single European currency; the Report also stressed the need for capital market liberalisation together with the monetary convergence. As to the convergence of public choices, the Report launched the idea of an "economic policy decision centre under the European Parliament, to ensure that the decisions would be democratically approved by European citizens.

This was the ambitious project launched by the Werner Committee for European economic integration. Unfortunately, the Report was flawed by shortcomings that prevented its practical realisation. First of all, it took a centralist approach: the priority was the European cause, and this required that the European authorities, which would be charged with realising the plan, had to take on substantial powers at the expense of the national governments. This was an intuition for future decades, but in 1970 national sovereignty and specific national questions weighed too heavily by comparison with the cause of European integration. This, essentially, is why the Report was abandoned *de facto* in 1974.

Secondly, it is worth noting that while the Werner Plan formed the basis for the European Commission's roadmap for economic and monetary union, formally adopted by the European Council on 22nd March 1971, its implementation was unfortunately abandoned once the Western European economies started diverging too greatly in terms of productivity and inflation, owing to the international monetary turbulence of the early 1970s. To sum up, when the Plan was conceived the international economic conjuncture was unfavourable, and this was a factor in its being set aside.

Finally, the Werner Report envisaged a three-stage process over a decade (from 1971 to 1980), but only the first was spelled out, the other two not being neither specifically defined nor precisely scheduled.

Nevertheless, the Werner Report constituted a milestone in the advance towards European economic and monetary union, because it inspired the subsequent steps towards that objective. The Delors Report of 1989 was more successful than its predecessor: it laid the basis for the Maastricht Treaty of 1992, for the creation of the European Central Bank in 1998 and for the introduction of the euro in 1999. The Delors Report would have been simply unthinkable without the Werner Report.

Perhaps the most interesting aspect of Werner's legacy, in fact, is that the process of economic and monetary integration was the product of the initiative of political institutions together with the decisive support of the national central banks, which were the first institutions to bear the consequences of monetary unification.

The focus, that is, was on the need for political leaders to share power with the central banks. The Delors Report applied this concept, which is why it proved to be successful. Above all, this way of thinking underpinned all the successive steps in European economic and monetary integration.

Finally, Pierre Werner introduced a vital concept: the need to establish or enhance European bodies, to which powers previously exercised by national authorities had to be transferred. This was fundamental to the achievement of economic and monetary union and it remains essential today to strengthen European political union.

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Barry Eichengreen, *Hall of Mirrors: The Great Depression, the Great Recession, and the Uses – and the Misuses – of History*, Oxford: Oxford University Press 2015, pp. 512, e-book available.

What were the causes and consequences of the Great Depression of 1929-1933 and the Great Recession of 2008-2009? In his new book, *Hall of Mirrors*, the economic historian Barry Eichengreen brings the two historical events together in a dual-track comparative account. In a nutshell, Eichengreen explains how the Great Depression became the lens through which policy-makers and central bankers understood and interpreted the Great Recession. He tells us how the "lessons" of the Depression shaped the policy responses to the events of 2008-2009 and helped to prevent a second global Depression.

The similarities between the Great Depression and the Great Recession have become a staple among journalists, economists and politicians (see for instance the former Greek finance minister Yanis Varoufakis quoting on Twitter FDR's famous remark: "They are unanimous in their hate for me; and I welcome their hatred"). As Eichengreen points out, the estate boom in Florida in the 1920s looks similar to the housing

bubble in Spain in the last decade. In addition, the working mechanisms of the gold standard after 1925 and the euro system instituted in 1999 also show some striking resemblances.

However, as an economic historian Barry Eichengreen does much more than note the similarities between the two global financial and economic crises. *Hall of Mirrors* is the first systematic analysis of both events, and rather than treat them separately he interweaves them by switching his narrative constantly back and forth in space and time, between the Depression of the 1930s and its various effects in the US, England, France, Germany and even Japan, and our recent Great Recession.

What are the “lessons” that policy-makers learned from the Depression? According to Eichengreen, during the crisis of 2008-2009 governments “resisted the beggar-thy-neighbour tariffs and controls that caused the collapse of international transactions in the 1930s. Governments ramped up public spending and cut taxes. Central banks flooded financial markets with liquidity and extended credit to one another in an unprecedented display of solidarity” (p. 1). Because “[...] their decisions were powerfully informed by received wisdom about the mistakes of their predecessors”, finance ministers and central bankers “prevented the worst” (p. 1). Consequently, unemployment in the United States peaked at just 10 percent in 2010; much lower than the 25 percent reached in the Depression. As to the banking system, failed banks numbered in the hundreds during the Great Recession, not in the thousands as in the 1930s.

So “all’s well that ends well”? Certainly not, because in the words of Eichengreen “this happy narrative is too easy” (p. 3). While governments may have been successful in averting another Depression following the failure of Lehman Brothers, they were less effective in fighting unemployment and stimulating economic growth. Eichengreen criticizes those politicians who turned too early and attached too much weight to austerity policies. As a result, the Great Recession isn’t over yet. Quite the contrary: in Eichengreen’s account, the countries of southern

Europe are suffering levels of unemployment comparable to those observed in the United States in the 1930s.

Naturally, this work is marked by Eichengreen's characteristic expertise and vast historical scholarship (the endnotes alone run to over 50 pages). The side effect, however, is that the book is not particularly reader-friendly for a general audience. Non-specialists might get lost in banking details and the jungle of financial history. Some historical anecdotes, such as the story of the childhood of German Chancellor Gerhard Schröder, are out of place here. Others, like the account of the failure of Northern Rock, are relevant and read like a good murder mystery.

Regardless of these minor shortcomings, Eichengreen's *Hall of Mirrors* serves to close a historiographical gap. As the first comparative analysis of the Great Depression and the Great Recession, setting the recent crisis in the historical context of the original one – what Ben Bernanke called the “Holy Grail of economic orthodoxy” – this book will become a standard reference for students and scholars of financial crises and economic history.

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Francesca Fauri, *Storia economica delle migrazioni italiane*, il Mulino, Bologna, 2015, pp. 233.

The book examines Italian emigration from the economic point of view and in the long term. It thus deals with a difficult and very extensive subject matter: the bibliography for this field is varied, because it addresses the many facets of the phenomenon.

The book consists of four chapters. The first deals with the formation, between 1851 and 1914, of an international labor market, with special regard to the causes and the economic consequences of the growing flow of migrants. For a contemporary observer, what is striking about

those years is not so much that so many people were eager to emigrate as that they were permitted to do so. In fact, the labor market was becoming global thanks to two essential characteristics: a) the free movement of labor, which produced the first (and perhaps the last) truly international labor market; and b) technological advances in transport. Nineteenth-century migration was characterized by *target earners*, and it was more a circular than a linear process: migrants would often go back and forth several times, and not just seasonally like the *golondrinas* in Latin America. The process was also characterized by wage differentials between the countries of origin and destination as well as by differing political conditions. The economic impact of international migration is analysed insightfully.

The second chapter examines the historical evolution of the legislation that has accompanied the incessant increase in departures, from laws governing travel by migrants to those on the shipping industry. The author's examination of the statistical data brings out new processes that help us to understand how the flow of migrants changed over the years of the "Great Migration" (1876-1914). Through the geography of departures, she considers what areas and Italian provinces were most affected and what led people to emigrate. The picture is completed by a careful study of emigrants' remittances and gender issues.

The third chapter considers the main countries to which Italian emigration was directed: the United States, Argentina and Brazil. Unpublished data on immigration flows and policies in each country provide a clear overall picture of the phenomenon.

In the last chapter, the author traces the history of Italian Fascist policy on emigration and the resulting stalemate, as well as the resumption of migratory flows after the end of World War II. Some space is also given over to the work of international organizations, down to the present day.

Last but not least, Fauri addresses the problem of the European Union and its effort to develop a single policy on immigration.

Francesca Fauri has mastered an immense bibliography, not only

Italian but international, and set it out in an intelligent and elegant manner. The book offers new points of view and gives a new “look” to the better known aspects.

Her work deals with emigration in kaleidoscopic fashion, presenting the reader with a harmonious work that uses history to shed light on what is happening today, with the dramatic, continual arrival of new migrants who are no longer mainly Italian but come from all over the world.

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Pilar López-Bejarano, *Un Estado a crédito. Deudas y configuración estatal de la Nueva Granada en la primera mitad del siglo XIX*, Bogotá, Pontificia Universidad Javeriana, 2015.

The severe and protracted debt crisis in Latin America in the 1980s brought a surge in research, and eventually a host of published works, on the economic history of debt in the region during colonial times and, even more, the republican era. Nueva Granada, as the political space in which the United States of Colombia was established in 1863 was called, was no exception, and researchers reconstructed some of the fundamental data and facts pertaining to taxation, public budgets and foreign, more than domestic, debt. Since the 1990s, studies on Latin American and other countries have maintained a fruitful dialogue with the classic earlier books that had offered detailed profiles of nineteenth-century creditors like the United Kingdom and France or European debtors like Spain and Portugal. All this historiography has laid the foundations for the new generation of publications on the history of fiscal systems and debt that is now emerging. The latest studies not only tackle time series on debt, identify crises and political solutions, unravel and classify types of debt, and examine the mechanisms of negotiation. They go further, seeking to understand the role of debt

in political and institutional terms and its underlying social logic. They do so by applying the tools of social theory and approaching its object through perspectives that are embedded in the new tendencies of cultural history and the new political history. But they do not downplay the relevance of more traditional or new economic history. Pilar López Bejarano's book offers an excellent example of this new comprehensive analysis of debt as a "total social phenomenon", even though in her case domestic debt looms much larger than foreign debt. This emphasis stems in part, in the author's view, from the kind of problems addressed. *Un Estado a crédito* is not just an updated history of debt in Colombia but also a history of the post-independence relationship between the State-building process, the transformation of society, and debt. From this standpoint the author maintains that foreign debt became a factor in the equation that the local political elites had to solve, whereas domestic debt reflected internal relations among the elites and between them and the rest of society. As she puts it: "domestic debt allows us to capture the interplay of local political and economic interests which were channelled by its transactions" (p. 29). Perhaps if López Bejarano had dedicated more time to analysing the foreign debt, she would have found that it was not an independent variable but a highly relevant element in local political and economic interests, an endogenous more than an exogenous factor. If we take seriously López Bejarano's recommendation, following Bourdieu, to forget the State in order to understand the State, research should not be circumscribed to domestic debt, since that would imply that there was a well defined domus/national State (and national society), when in reality such borders were still in the making.

The book has three sections: a brief introduction; a first part that gives a general account of the evolution of the debt, its types and its management in Nueva Granada; and a second part on the social dynamics of State indebtedness. In the introduction, López Bejarano sums up the traits of the public debt according to Grenier and turns them into a sort

of ideal-type with which historical public debt can be confronted.¹ She then refers to a number of authors (Veyne, Elias, Bourdieu, Geertz, Morin, Foucault) who serve as the point of departure for thinking in “relational” terms: perhaps a more detailed discussion of what the “relational” methodological approach means in practice would be useful, replacing a series of hints with fully developed theoretical and methodological proposals. Third, the author emphasises her consideration of debt not as the result of a more or less exceptional imbalance between revenues and expenditure but as a social dynamic: she argues that what produces debt is a set of complex social and political processes, which go well beyond the simple need for money to cover deficits. She closes the introduction by setting the chronological and conceptual limits of her subject matter.

The first part of the book describes and analyses, at various levels, the public debt of Nueva Granada between 1819 and 1863. López Bejarano first discusses the continuities and discontinuities resulting from independence in terms of the domestic debt. She concludes that a significant portion of the pre-existing debt was accepted as domestic debt by the Republic, both because certain creditors were in a position of strength to press their claims and because it was believed that paying off the old regime’s debt was a prerequisite for the creditworthiness of the nascent Republic. In any case, there were no clear criteria for the acceptance or rejection of old debts, nor for the conditions of payment. Furthermore, no single, consistent decision was made: some debts were paid at first and then not, whereas other claims were not honoured for years but recognised later on. This kind of “disorder” can also be found in the management of the public debt in many of the new Latin American republics. The Republic of Gran Colombia (Great Colombia), which comprised the territory of present-day Colombia, Venezuela

¹ J.-Y. Grenier, “Introduction. Dette d’État, dette publique”, in Jean Andreato, Gérard Beaur et Jean-Yves Grenier (eds.), *La dette publique dans l’histoire*, Paris, Comité pour l’histoire économique et financière de la France/CRH/EHESS, 2006, pp. 1-19.

and Ecuador, received large foreign loans in the 1820s and defaulted in 1826. In 1830 Gran Colombia broke down and the three successor states had to allocate both foreign and domestic debt among themselves in the course of difficult negotiations that were only concluded in 1834 and made public four years later. This process and the way it shaped the first offices of the Treasury and its civil service is the heart of chapter 2. The author shows that over-indebtedness was not the product of any plan or the consequence of persistent deficits run by irresponsible governments but the result of an accumulation of different sources of debt. She also demonstrates that the concrete path of indebtedness was both effect and cause of the construction of Colombia's financial administration. The first part of the book ends with a chapter that analyses the documents produced by the Treasury of Nueva Granada: memoranda, reports, classifications and budgets. López Bejarano undertakes a thorough, multidimensional reading of all these documents and finds much more than quantitative data, types of credit, and loopholes in the debt service. She traces the various roles played by debt titles in payments, and discovers how in fact debt settlements were often tantamount to the exchange of one type of security for another. She adds a special section on the impact of war on public programmes and accounts, and on the state of debt, drawing a nuanced picture of the interconnection between military operations and debt that goes beyond the standard, simple relationship between extraordinary expenses and indebtedness.

The second part abandons the institutional for an explicitly social perspective. Changing perspective does not mean separation: in her account, in fact, there is no sharp borderline between society and public institutions, in that private and public interests, whether defined according to the Roman legal tradition that was the basis of the new Republic or in some other, more general manner, cannot be described as distinct spheres. In chapter 4, the author looks at the sources of state borrowing between 1839 and 1842, to see how the central government funded the civil war of those years by a series of donations and

borrowing. Among the numerous lenders, she finds one, Landínez, who first built up his fortune and then went bankrupt both thanks to active collaboration with the central government. He acted as a mediator between other capitalists and the government in a “chain of creditors and debtors”: his failure was a catastrophe for a good many people and for the Colombian government, while also bringing gains for some creditors who opposed any special solution to Landínez’s default. In her analysis of the story as told years later by the unfortunate banker himself, López Bejarano unravels the relations between finance and the conduct of the war, the administration and merchant groups, as well as among the various personal and factional networks. Chapter 5 deals with forced loans and their use in the 1850s, how they worked, and the kind of ambiguous situations they created in certain circumstances when they could be confused with voluntary loans or even with taxation, although they were often openly presented as alternatives: either you buy debt or you pay a tax. In fact, as López Bejarano shows, forced loans were recognised as an easier alternative to direct taxes: they did not need so many administrative devices, they were not met with equally fierce resistance, and they supplied the needed funds much more quickly than any tax could. Furthermore, they created political bonds between the creditors and the Government that could be useful when rival political forces had to be faced. But forced loans accumulated more debt for an already over-extended State, and they provoked greater uncertainty among existing creditors. The State’s chronic over-indebtedness, the uncertainty over interest payments and debt repayment, the large number and great inequality of creditors opened up a vast field for financial speculation. Meanwhile speculative endeavours, for their part, depended for success on administrative bias and political support. This is the topic of chapter 6, where we see socio-political factions united among other things by a common interest in debt and capital accumulation. Politicians, high civil servants, capitalists, and military officers appear to be involved in a game that revolved very much around State resources, less in the form of money than in the form

of debt securities, the revenues that backed them, and the norms that classified or converted the debt. And those valued resources were a relevant currency in the strengthening of patron-client relations and political loyalties, which allowed the forging of supra-local links, and so contributed to the very process of State-building in Colombia. This was a paradoxical outcome: a political apparatus that might be said to derive its weaknesses from over-indebtedness was able to survive and even to consolidate itself as a national State thanks, to a degree, to the very socio-political mechanisms established by that indebtedness.

These are among the key issues and theses of a book that offers many other important insights in diverse fields. López Bejarano's work lies at the crossroads of economic history, social history, and political history, and manages to ask good questions, provide suggestive answers, and even indicate new research topics for all historians working on Colombia, and not only on that country or even only Latin American countries. Her focal point is the State-building process, but her study should not be ignored by anyone dealing with investment strategies, capital formation, the development of social elites, party and faction politics, the history of public institutions and administration, and so on. The work has few shortcomings indeed. As I suggested earlier, her analysis would be improved by studying foreign as well as domestic debt: she does refer to the connections between domestic and foreign credit, but she would have done well to go beyond those marginal comments and fully integrate international debt into her account. Also, some of the concepts and authors referred to theoretically in the introduction should be discussed more in depth and related more clearly to her research. This habit of merely touching upon a subject and not presenting it systematically is noticeable elsewhere in the book as well. López Bejarano seems to have a tendency to offer hints and open new tracks instead of exhausting every possible avenue of research. Readers may take this as a critique, or else they may see the method as an intelligent strategy for opening up a full range of possibilities for future reflection and research. Personally, I would

prefer the latter. If I wish that the author had expanded many of her remarks and many of her conclusions, and even that she had broadened the topic itself, this is not because I find the book wanting but because I have learnt a great deal, found new hypotheses worth applying elsewhere, and enjoyed the reading. *Un Estado a crédito* makes a truly major contribution to the history of debt and to the possibility of better understanding contemporary institutions and politics.

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Murat Özyüksel, *The Hejaz Railway and the Ottoman Empire. Modernity, Industrialization and Ottoman Decline*, I.B. Tauris, London, 2015.

The construction of the Hejaz railway is a landmark in the history of railway building in the late Ottoman Empire, which was dominated by European enterprises. The railway projects had been a constant issue in the Ottoman territory, especially since the beginning of the Great Depression (1873-1895), drawing a steady inflow of foreign investments mainly from Western Europe. The Empire's continuing political and economic decline enabled the European powers to extend their influence over slices of Ottoman territory by building railways. In this regard, the Hejaz railway avoided involvement in the European game played at the Council of the Administration of the Ottoman Public Debt for the assignment and division of the kilometric guarantee (*Lots Turks*) for the railways constructed throughout the Empire.

The success of European imperialist policy threatened Ottoman authority. The unlikelihood that the central government would put an end to this constant national violation reflected both Ottoman dependence on European capital and the Empire's known military weakness. Therefore, the last-ditch effort of the Ottoman state was focused on reacquiring

control of the religious power held by the Sultan as a Caliph.¹ According to the author, the Hejaz railway was necessary for the Sultan in Arabia to develop military and strategic skills and to strengthen his authority in the Muslim world by encouraging pilgrimage to the holy cities. As the author notes, Abdul Hamid wanted to kill two birds with one stone.

In the first chapter (“The Historical Development of Railway Construction in the Ottoman Empire”) the author clearly traces not only the birth of the Hejaz railway but also the intensifying struggle between the imperialist powers and the Ottoman Empire. In this regard, France and Britain stood as the main enemies opposed to the new railway, which could have jeopardized French economic and political interests in Syria and Britain’s strategic dominance between Egypt and India. Different was the role of Germany, which intended to take advantage of the railway directly, in order to gain profitable commissions for its industry and to expand its influence in the region, contrasting the French and Britain dominance.

In the second chapter (“Decision to Construct the Hejaz Railway”) the author analyzes the main factors – economic, political, military and religious – behind the construction of the railways. In this light, it is interesting to notice the different perception of each European power of the Sultan’s pan-Islamism policy and their consequent reaction to thwart it, in order to safeguard their own policies and authority in the Muslim colonies. Özyüksel says “Abdulhamid’s Islamist policy can be defined as a policy of New Ottomanism emblazoned with the ideological concepts of Islam”. Concerning the economic aspects, the Hejaz railway was the only line where economic factors played only a secondary role.

¹ An interesting point of view on the Caliph’s role of Abdul Hamid II is: Le-grain, J.F., *L’idée de califat universel et de congrès islamique face à la revendication de souveraineté nationale et aux menaces d’écrasement de l’empire ottoman. A propos du Traité sur le califat de Rachid Rida*, Nouvelle édition, Maison de l’Orient et la Méditerranée, Lyons, 2006.

This concept is resumed in the third chapter ("Financing the Hejaz Railway"), where the author defines the features of the railway financing campaign. Although this could have strengthened internal and external prestige, what emerges instead is that the international donations were overestimated with respect to compulsory internal funding, especially from new taxes. "There are claims that from time to time the monies collected were far from being voluntary donations but were almost made obligatory". Furthermore, the Agricultural Bank (Ziraat Bankası) played a landmark role in financing the railway especially by lending to the Ottoman state. The author thus provides new evidence of the key role played by this "real" state bank at odds with the privately owned Imperial Ottoman Bank.

The fourth chapter ("The Construction of the Hejaz Railway") highlights the ongoing difficulty of building the railway across a region that was already subject to French influence. The case of the French company DHP clearly indicated the existence of definite imperial spheres of influence gained by the European powers thanks to railway construction. It also highlighted the weakness of the Ottoman policy of allowing the spread of foreign interests within its territory. This was mainly due to Ottoman dependence on foreign and particularly French capital. "We know that the ulterior motive behind the railway investments was to create areas of influence within the Empire".

The fifth chapter ("Forces Resisting the Hejaz Railway") focuses on the Hejaz region and the harsh struggle against the emirs of Mecca and the Bedouins. Moreover, the author analyzes the growing British opposition to the project to reach Aqaba, because it could jeopardize British security and influence in Egypt, as well as allowing Germany to threaten the Suez Canal in the case of an alliance with the Ottoman Empire. Overall, this chapter highlights the impossibility that the Ottoman government could build railways within its territory without internal and external opposition.

In the last chapter ("Were the Expectations Fulfilled?") Özyüksel summarizes the benefits and the drawbacks of the railway in fulfilling the

Sultan's expectations. While many railways had primarily economic purposes, for the Hejaz project this was the case only for the branch-line Haifa-Dera-Damascus, making up just three quarters of the entire length of the railway. The rest of the line was partly profitable solely during hajj season. In fact, the potentially most valuable line from Jeddah to Mecca was not built, owing to the resistance of the Bedouins, who regularly undermined the security of travelers, enhancing which had been one of the main objectives of the railway. "In other words, the Hejaz railway did not facilitate the hajj journey, and hajjis kept using sea transport instead".

In conclusion, the construction of the Hejaz railway showed how costly foreign-built railways were for the Ottoman state. Constantinople could count on cost-free raw materials like wood and water and on worker-soldiers paid by the Ministry of War; it benefitted from a minimal per-kilometer cost compared with the railways built by European enterprises. As Rashid I. Khalidi observes, financiers, bankers and engineers created economic infrastructures in order to achieve the European aims of political control.²

Murat Özyüksel's work also highlights the role of Germany in helping the Ottomans to build the Hejaz railway by providing qualified engineers and industrial goods. The volume is valuable in that it helps to reinforce the common perception of Germany's interests in the late Ottoman Empire, even as regards a railway that could have been built exclusively by Ottoman labour, credit and raw materials.

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² Khalidi R.I., "The Economic Partition of the Arab Provinces of the Ottoman Empire before the First World War, in *Review* (Fernand Braudel Center), vol. 11, n. 2, *Ottoman Empire: Nineteenth-Century Transformations*, 1988, pp. 251-264.

Ronald Richter, *Macht und Ohnmacht einer Zentralregierung. Die Bourbonen und das Problem des Banditenwesens im Königreich Neapel des 18. Jahrhunderts*, Peter Lang, Frankfurt am Main, 2015, pp. 617.

Ronald Richter's *Macht und Ohnmacht einer Zentralregierung* deals with banditry in Southern Italy at the end of the early modern age, in the 18th century. The work focuses on two questions: determining the typical features of banditry during that period and the forms of repression practiced by the State to contain and suppress it.

The choice of studying the phenomenon of banditry in the 18th century clearly reveals the aim of filling a historiographical gap. Whereas there are a number of historical studies on brigandage in the Kingdom of Naples from the Middle Ages onwards, it is well known that the attention of scholars has concentrated heavily on the banditry of the 19th century. In fact, most historical work has focused on the phenomena that arose following the unification of Italy in 1861. There is a relative shortage of works concerning the Bourbon dynasty during the 18th century, between Charles of Bourbon's ascension to the throne in 1734 and the end of the first phase of the reign of his son Ferdinand IV, which began in 1759 and was interrupted in 1799 by the proclamation of the ephemeral Republic of Naples.

Richter's work analyses the relationship between the Bourbon government and banditry. The main question is why, despite the strong political power of the two Bourbon kings and an efficient repressive apparatus (army, police forces, judiciary), the State failed to get real results. In fact, not only did the dynasty fail to defeat or even control banditry; the government did not even manage to end the connivance of local elites with the bandit gangs. Repression succeeded in confining brigands to the sparsely populated rural areas, always keeping them away from Naples. However, the endemic nature of brigandage and the consequent permanent weakness of the central government, its inability to properly

rule the territory, helped create widespread mistrust of the king and the authorities.

As noted, Richter offers an account of banditry from the 1730s to the end of the 18th century, in particular during the first period of the reign of Ferdinand IV, when there was a surge in banditry. He describes the difficulties encountered by central and local authorities in countering the gangs and also analyses the collaboration with the bordering Papal State, where brigandage was comparably widespread and where the Neapolitan gangs often took shelter, and narrates developments in the trials of the bandits arrested and the problem of their gaining asylum in Church properties. The author further recounts the relationship between the bandit gangs and the provincial society of the Kingdom of Naples: the aristocracy, the clergy, the rising rural bourgeoisie and the populace, in particular the peasantry.

These are clearly ambitious thematic and methodological objectives that required extensive research based on primary sources found in the various provincial archives throughout the territory of the former Kingdom of Naples. The documentary sources from the central administration are conserved in the Archive of the State of Naples and in the manuscripts sections of the Library of the Società Napoletana di Storia Patria and the Biblioteca Nazionale di Napoli. Ronald Richter has collected an enormous amount of new documentation, never before exploited, on the history of banditry, and this is unquestionably one of the merits of this work.

Another great merit of the volume is its exhaustive bibliography, which comprises not only historiography but also the extensive contemporary production of a substantial group of Enlightenment intellectuals, including Giuseppe Maria Galanti, Gian Francesco Nardi, Giovanni Pallante, Giuseppe Spiriti, and others, who were well aware of the problems of the central government in coping with banditry and imposing the State's authority on the local provincial elites.

The volume is divided into three parts. The first, introductory section offers a general presentation of the subject and an explanation of the

terminology used, in particular the difference between *banditismo* and *brigantaggio* (banditry and brigandage), and an overview of the history of brigandage in Southern Italy. There is also a description of the socio-economic situation and the administrative structure of the Kingdom of Naples in the first Bourbon period (1734-1799), distinguishing the capital from the provinces and the central organs of the justice system from the local provincial tribunals, the *Regie Udienze*. Particularly interesting, in this part of the work, is the analysis of the basic features of the anti-banditry legislation: the author clarifies the legal instruments used by the government and the loss of effectiveness in the passage from theory to practice.

The second section outlines tendencies, developments and problems in the struggle against banditry and maintaining order and public security in the provinces of the Kingdom during the first Bourbon period. The work highlights the sharp distinction between the reigns of Charles and Ferdinand: where the first Bourbon king did not emphasise the repression of banditry until towards the end of his reign, from the very start of Ferdinand's reign the phenomenon was growing rapidly, and central government and local authorities attached increasing importance to countering it.

Richter presents a series of case studies based on judicial documents from the archives of the *Regie Udienze*. Duly contextualised and interpreted, they allow a reconstruction of several key aspects of the relationship between banditry and repression. This is undoubtedly the most interesting part of the work, with ground-breaking analysis based on unreleased and not readily accessible documentation, presenting new and original ideas.

Richter considers a number of episodes of banditry in different parts of the Kingdom of Naples, such as the repression of the Gualtieri and Cacozza gangs in the province of Calabria Citra by the *Regie Udienze* of Cosenza and Catanzaro in 1774-1776, which exemplified the relationship between barons and bandits – a mixture of protection and connivance – in the most inaccessible areas far from the capital. Another case di-

scussed, based on the report drafted by the royal judge Pasquale Perrelli after a mission in the territory of Nocera (Calabria Citra) in 1780, shows the close relationship between the rise of banditry and government mismanagement. The history of the Pronio family, active during the 1790s in the northern zone of Abruzzo Ultra province at the boundary with the Papal State, is even more important. This gang, in fact, was exceptionally numerous, well entrenched in the territory and also very proficient in taking advantage of the border with the Papal State to escape the occasional raids of the Bourbon army. But the Pronios grew overconfident, and in May 1792 they attacked a royal coach, provoking the strong reaction of the Bourbon army and also a pact with the Pope for simultaneous repression on both sides of the border under the supreme command of Giovanni Battista Salomone.

No less interesting are the legal developments that Richter recounts. The author starts with a discussion of the ecclesiastic right to asylum, based on the documentation of the *Tribunale Misto* that in 1748 tried two members of Michele Basso's gang, active in Matera and Basilicata, and concludes with the account of a gang that fought against the Parthenopean Republic between 1799 and 1806.

The numerous examples studied in the first two parts of the book are brought under a comprehensive interpretative framework in the third section, which is devoted to the structural causes of banditry, its durability, and its exponential growth in the provinces during the first Bourbon period. There is also a final excursus on 19th century brigandage prior to Italian unification.

This third section, then, is given over to the author's analysis and historical interpretation. He begins by depicting the main causes of the phenomenon, namely socio-economic conditions of persistent poverty, underdevelopment and lack of infrastructure, their deterioration towards the end of the 18th century owing to population growth, and a series of poor harvests in the 1860s. Richter contradicts the thesis of Maria Grazia Maiorini (*Presidi e brigantaggio tra prassi giuridica e azione militare. La dialettica dei metodi di repressione nel Regno di Napoli durante il*

primo periodo borbonico, 1997) that at first Charles sought to dissimulate the phenomenon of banditry in order to strengthen his image. The documentation that Richter presents on those years shows that there was actually not much banditry, which accounts for the authorities' lack of interest in the phenomenon. During this period, the regions most affected by brigandage were Abruzzo and Calabria, which is to say the Kingdom's most distant and inaccessible territories.

Although banditry in this period was moderate in extent and intensity, Richter shows that it was sufficient to attract the interest of several Neapolitan thinkers, such as the jurist and philosopher Giovanni Pallante, governor and judge in Taverna (province of Calabria Ultra). In his work *Memoria per la riforma del Regno* (1735-1737), he strongly criticised the inefficiency of the repressive actions undertaken by the provincial authorities throughout the peripheral territories. The military events of 1744 clearly demonstrated how accurate these judgments were: during the War of the Austrian Succession (1740-1748), Charles of Bourbon, engaged in defensive measures against a possible Austrian invasion, was unable to maintain order and security in his provinces. Hence, the Abruzzo, infested by gangs of bandits, was easily conquered by the Austrian military forces. A similar situation arose in Calabria as well: the region first suffered a famine in 1742-1743, then plague that spread from Sicily in 1743, and finally severe earthquakes in 1744. Despite the designation of a Vicar General, the Count Giacomo Giuseppe di Mahony, the government could not maintain public order, nor did it succeed in enforcing the *cordon sanitaire*.

Thus, in Richter's interpretation, during the early reign of Charles of Bourbon, banditry was a latent, hidden phenomenon ready to reveal itself, as the events just recalled clearly demonstrate. In this period, in fact, there was a perceptible change of pace in the struggle against banditry, with frequent resort to extraordinary delegates. The reports of these delegates reveal both the exceptional political powers they were given for the suppression of banditry and their essential failure.

Richter states that the increasing number of delegates assigned during

the first part of Ferdinand's reign provides the main evidence of the alarming extent of banditry. The delegates, in fact, were appointed in those territories where the regular royal agents and the local authorities, such as the baronial governors, were considered unfit to handle the situation. The dispatch of the delegates often produced a transient improvement in public order and security, but in the long run the government and its agents in the provinces failed regularly. Moreover, the frequent use of auxiliary military forces also proved fruitless.

In Richter's analysis, the failure of repression had several primary causes: 1. The *Regie Udienze* lacked the men and financial resources required to consolidate short-term successes in the longer run. 2. There were forms of local corruption and maladministration as well as of connivance between royal soldiers and bandits. 3. The immunity of ecclesiastical sites; on this point, it is worth remarking that although the 1741 treaty between the Pope and the King of Naples limited the concession of ecclesiastic asylum, even afterwards a good number of bandits sought to evade the Neapolitan authorities by escaping to the Papal State. In this regard, Richter deserves praise as the first scholar to exploit the crucial documentation (held at the State Archive of Naples) of the *Tribunale Misto*, a tribunal formed by delegates from the Kingdom of Naples and the Papal State and assigned to decide on the possibility of suspending immunity.

Another central aspect of Richter's work consists in profiles of bandits: in an economy counting hundreds of thousands of landless agricultural day labourers roaming the provinces in search of work, it was only natural that they periodically formed new bandit gangs or joined existing ones to escape poverty. But Richter argues that such banditry does not fit Hobsbawm's definition of "social banditry" as a rebellion by an impoverished population against the land-owner aristocracy. Instead, Richter sees the banditry he has studied as the effort to ensure day-to-day survival through theft and robbery, an acceptable perspective despite the consequences in case of arrest. However, it must be recalled

that the gangs were formed not only by farm hands but also by Neapolitan army deserters.

Disagreeing again with Hobsbawm, Richter depicts the ambivalent relationship between provincial society and the gangs: on the one hand, often enough the poorest part of the population – peasants, hired hands and craftsmen – were the victims of banditry; on the other, a part of the rural population was involved in illegal activities, helping the bandits in various ways. And even those not engaged in brigandage did not necessarily cooperate with the authorities. Indeed, it seems more probable that those who were not in favour of the gangs' criminal activity nevertheless accepted their presence in order to avoid harm to themselves and their families, electing not to collaborate with investigations and repressive actions.

This ambivalence was all the more pronounced in the upper ranks of society: the landed aristocracy traditionally gave shelter to the gangs and often used them in their power struggles with other noble families. Although these bonds were no longer as strong as they had been in the 17th century, in the early Bourbon period there were still instances of gang members being protected by the local aristocracy. Similarly, there were always members of the prelacy who protected individual bandits, entire gangs and even gang leaders. And a good many members of the rising rural bourgeoisie also tended to back the bandits.

To conclude, Ronald Richter's book is excellent indeed for the abundance and complexity of the sources utilised, its insightful reinterpretation of the forms and modalities of banditry during the reigns of Charles of Bourbon and his son Ferdinand IV, and its careful and comprehensive description of the phenomena.

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D. Strangio, G. Sancetta (eds.), *Italy in a European Context*, Palgrave Macmillan, Basingstoke, 2016, pp. 218.

The launch of Horizon 2020 by the European Commission has sparked a wide-ranging debate among Member States on how to achieve its ambitious goals. The plan is the biggest EU research and innovation programme ever instituted, with funding of nearly € 80 billion available from 2014 to 2020. Horizon 2020 sets five targets for Member States to achieve by 2020: expanding employment, increasing R&D/innovation expenditure, enacting energetic measures on climate change, reducing school drop-out rates, and stepping up action against poverty and social exclusion. The Euro Sapienza Research Center was created to investigate Italy's potential for pursuing the five objectives. The Center brings together excellent scholars with diverse backgrounds from Sapienza University of Rome, the aim being to institute a multidisciplinary approach for the analysis of contemporary socio-economic issues.

Italy in a European Context offers the reader a selection of essays presented at seminars organized by Euro Sapienza. The volume is edited by two of Euro Sapienza's leading members: Donatella Strangio, a professor of economic history, and Giuseppe Sancetta, a professor of business management. All the essays are presented in a manner designed to attract a readership beyond the circle of academics and professionals, but without sacrificing scientific rigor and accuracy.

The book consists of nine chapters, divided into two sections: the first on EU economic policies to combat social divisions, the second on business and environmental sustainability. As regards the first section, an institutional focus underlies every essay: that is, the thesis is that economic choices reflect the institutional structure of society, so that when institutions change, so does social and economic development. And specifically, institutional reform and the adjustment of institutional conduct relates to the dominant economic theory of an epoch.

The first essay analyses perhaps the greatest institutional change worked by the entire process of European integration, namely the

creation of the European Monetary Union and the related change in Italian monetary policy.

During the 1960s Italy determined its aggregate money supply by manoeuvring domestic credit, which was feasible because the bulk of the banking industry was publicly owned. Italian monetary policy in these years was largely countercyclical; for example, in the early 1960s monetary policy reacted to high inflation rates by tightening domestic credit. During the 1970s the collapse of the Bretton Woods system, the consequent acceleration of European economic integration and the overall process of globalisation produced changes in Italian monetary policy, which now aimed to sustain profit rates and stimulate investment in a deteriorating economic cycle. The strategy adopted was the so-called "Carli scheme" of competitive devaluation together with strict controls on capital outflows. In this framework monetary policy was expansionary during the 1970s and became pro-cyclical starting in 1975 when the international business cycle turned upwards. In 1979 Italy joined the European Monetary System, bringing a radical change in national monetary policy. First, it fostered a needed institutional reform, i.e. the 1981 "divorce" of the Bank of Italy from the Treasury, eliminating the central bank's commitment to buy any Treasury bonds not taken up in the primary market. Second, the Bank's main instrument for controlling the money supply was no longer domestic credit but the short-term interest rate, and controlling inflation became a priority commitment. Finally, devaluation was now precluded by the narrow fluctuation bands imposed by the EMS. In short, the essay well illuminates the Italian institutional change produced by European integration and the consequent alteration of economic policy choices.

The foregoing makes the vital role of institutions in national economic development abundantly clear. Nevertheless, the public sector could do even more than it ordinarily does to foster socio-economic change and assure better living conditions. As a rule, government enacts redistributive policies. That is, individuals have differing initial endowments of tangible and intangible resources, they interact in an open market,

and after the fact the public sector seeks to redress the inequalities that arise, in particular income inequalities. Redistribution is quite effective as a weapon against inequality, but more could be done: namely what we might call “pre-redistribution”. Pre-distribution refers to people’s initial endowments; accordingly, government could “pre-redistribute” to foster a more equal distribution of endowments even before inequalities emerge in the marketplace and ex-post redistribution is called for. There are two different ways to pre-redistribute: one is to reduce the inequality in endowments that leads to further discrepancies in the market; the other, to modify the rules of the game so as to generate inequality only when this is justified by individual merit and not due to other, undeserved advantages or disadvantages.

Apart from institutional factors, a country’s economic development is also crucially affected by the environment. Self-evidently, geographical factors weigh heavily in determining a territory’s poverty or prosperity. It is not just coincidence that the most highly developed regions of the world are characterized by temperate climates and abundant supplies of water, while the poorest are in the tropics and lack access to the sea or navigable rivers. Moreover, the environment determines the initial resources at a territory’s disposal: agricultural products and raw materials. Finally, the notion that the environment may be a favourable or adverse factor for economic development is linked to the concept of sustainability: sustainable growth means satisfying the needs of today’s population without compromising the ability of future generations to meet their own needs.

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