
DEBATES

*Regions in Italian History (XVth-XVIIIth Centuries)*¹

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A) THE PRESENT: in search of the past.

From a regional standpoint, Italy can be divided into two distinct areas. In one area the regions are easy to identify, socio-economic structures are dynamic and geo-economic and urban relations are well-defined, even though the functions and the boundaries of the regions may change. In the other, they are more amorphous and more difficult to pick out; traditional structures have usually been maintained, there are few large urban centres, social and economic relations are less clearly-defined and there is a limited exchange of goods and services.

In the first case, where regions have well-defined economic and urban functions,² the region corresponds to an area radiating from a large city which acts as a coordinating centre for economic and population growth, social institutions and behaviour patterns and provides a framework for settlements and road networks etc.. This centre of coordination operates thanks to a structure, that is, a dynamic system of various medium-sized centres to which

¹ The original version of this work was presented at the preparatory session of sec. AI (The Changing Relationships of European Regions 14th-18th Centuries) of the International Economic History Congress (Milan 1994) held in Paris (Maison des Sciences de l'Homme) on 5 March 1993. In making this brief synthesis I have consulted an enormous quantity of material which, for obvious reasons of space, I have not included in the notes. Instead I have only indicated the authors of the passages which are actually quoted in the text. Therefore, I would like to mention the excellent article by Maurice Aymard ("La fragilità di una economia avanzata: l'Italia e le trasformazioni dell'economia europea", in AA.VV., *Storia dell'economia italiana*, Turin 1991, Vol. II, pp. 5-126.

² Cf. L. Gambi, «I valori storici dei quadri ambientali», in AA.VV., *Storia d'Italia, I caratteri originali*, Turin, Einaudi, 1972 (1989), p. 55 et seq.

it is closely linked and which are in turn linked to groups of smaller centres. Such a system, operating on a gravitational basis, produces a hierarchy according to the importance of the functions being performed in the various centres. In this respect it is the city which has the ability to create a region around itself, organising territory and society. It is the city which has the primary role in regional planning.

A system built in this way is easily recognisable in the north where, for historical reasons, a few large urban poles (Turin, Milan, Genoa, Bologna, Venice, Florence) polarise functions relating to major political and economic decision-making, high-level cultural activities and the provision of high-quality services, which become concentrated in a small number of areas. A group of medium-sized centres gravitate around each of these centres and function as a market for wide agricultural and industrial areas, as well as acting as sub-regional communication hubs and centres for the provision of selected services. The medium-sized centres (numbering just under 60) link up the regional poles to the smaller centres (about 200) which, since the beginning of the twentieth century, have linked up the administrations of local and mostly rural areas.³

This network of relations occupies an area which, irrespective of institutional boundaries, is constantly changing as a result of a process that continually modifies relations within regional hierarchies in response to the interplay of forces within urban systems. From the fifteenth to seventeenth century, for example (in the case of the Po Valley we may hypothesize the existence of a closely-integrated polycentric structure gravitating around two axes, to the west Milan and to the east Venice); Genoa and Florence also competed to define regional functions. In the eighteenth century Turin, Bologna and Ancona began to emerge while Venice declined. In the nineteenth century Venice became increasingly marginalised while Trieste established itself in the eastern Veneto and Verona in the west, just as in the late nineteenth century, Bari was to become the centre of Apulia thanks to its port and road and rail networks.

In the South of Italy the situation is quite different. If we exclude a very limited area centred on Naples, this interplay of forces is extremely weak and is based on outdated urban concepts: such is the case of the Tiber valley and west Sicily where, by favouring rents rather than profits, Rome and Palermo prevented the growth of centres which have real and autonomous urban functions. In the countryside, which became deserted as a result of the spread animal grazing and wheat-growing on the big latifundia estates, the close bond between the town and its territory (which according to Carlo Cattaneo, would be the ideal basis for Italian history) does not exist.⁴

³ *Idem* p.56.

⁴ For example, in his introduction to the book on Lazio, Alberto Caracciolo writes: «In the many maps of Italy which circulated among the public and schoolchildren in the

For historical reasons, therefore, the creation of a territorial hierarchy around a centre seems to have met with little success in South Italy where the absence of strong urban forces - both political and economic - have helped to keep intact «rural seignories» and the traditional attachment to a particular area or to a tiny canton, and where, in terms of functions, relations between different centres are very weak (the controversy over the creation of a regional capital in Calabria rather than in Abruzzo is an obvious example).⁵

In the North, therefore, the term region has a different meaning to that in the South: in the former it has a functional role, while in the latter it is merely bureaucratic and institutional and is often only an area whose territorial connections are defined by a common dialect and by traditional forms of settlement and social customs which go back to a distant past but which are inadequate for qualifying a geographical area as a region in the modern sense.

When we speak of «functional regions» in Italy, we are thus referring to city networks. By making - or failing to make - a series of economic and/or politico-institutional decisions, it is cities which give the country its varied regional morphology.

Let us start with power struggles. We should not forget that Italy has only been a unified national state for just over a hundred years and that previously it was made up of regional, interregional and intraregional states. Leaving aside the different vocations which over the long term determine the features of a region, the historical process of regionalisation undoubtedly intensified in the thirteenth and fourteenth centuries when the expansion of the late medieval commune began to have a profound effect on the distribution of landownership (which from now on was increasingly concentrated in the hands of town inhabitants) and on the complementarity of economic activity and trade between town and country, and even to create a new politico-institutional equilibrium in which rural feudatories were forced to give way to urban power.

The fourteenth-century crisis, which drastically reduced trade and manufacturing in the towns and upset their financial equilibrium, often forced the smaller centres to succumb to more powerful rivals, thereby increasing the

1860s, there was an uncoloured spot, an area similar to a no-man's land, almost in the middle of the «boot»: this was the last remaining piece of territory under the Pope's temporal rule, on the banks of the Tiber, with Rome at its centre.... In 1870, after the Piedmontese had entered Rome on 20 September, it became necessary to establish an administrative structure and a recognisable geographical identity for the ex-papal states... a region, at least in the widest sense of the term, thus came into being: this large excluded area took the name and the colour of Lazio.... one of the least well-defined regions in Italy, a kind of «residual» region. And it is still basically the same today.» Cf. A. Caracciolo, «La regione storica e reale». in AAVV., *Il Lazio*, Turin, 1991, p.5 et seq. In his work on the regions of the Papal States R. Volpi has actually spoken of «missing regions». Cf. R. Volpi, *Le regioni introvabili. Centralizzazione e regionalizzazione nello stato Pontificio*, Bologna, 1983.

⁵ *Idem*, p.58.

tendency towards the creation of territorial conglomerates which were more complex than the city-state and the ancient feudal mosaic domains. By the mid-fifteenth century, this small states — where the future centres of the Centre-North stand out on account of their economic rather than territorial hegemony — gradually gave way to the emergence of *regional states* that roughly reflected the administrative organisation set up under ancient Rome, and whose confines remained basically unaltered up to the Napoleonic era: the Aragonese Kingdom in the South and the Islands, the Papal States, the Duchy of Milan, the Republics of Florence and Venice.

Next to these there were other less important powers, mostly Signorias or principalities: the Republic of Genoa, the Duchy of Savoy, the Marquisates of Monteferrato, Saluzzo, Mantua, Ferrara, and Modena, the Bishopric of Trento, as well as a few more or less autonomous territories situated within the Papal States and Tuscany (Lucca, Siena, Piombino). Some of these last mentioned were to have an ephemeral existence and were soon afterwards incorporated into the regional states while others disappeared only after Unification.

The equilibrium achieved by the Peace of Lodi (1454) was the outcome of a process which was by no means uniform nor straightforward: in some cases (in the Kingdom of Naples and the Papal States) the monarchy was established, in others the absence of a higher authority meant that territorial aggregation grew rather confusedly out of the rivalry among a myriad of smaller political centres of power, leading to the emergence of a few dominant centres whose territory was empirically-defined (the central-northern Italian states). In these cases the process of territorial incorporation and consolidation by a central authority was often more accidental than orderly and planned. Yet undoubtedly geographical factors were important in determining the extent and direction of aggregations. This is borne out by the basically negative function of mountains and hills (an obstacle to the creation of a Genoese hinterland for example) and the positive role of lines of communication and expansion axes, especially rivers, although rivers sometimes formed a boundary and defence line (as in the case of the Po and the Mincio).

The timespan involved in the creation of a «regional state» also varied. In this respect Milan developed early on while Venice, Genoa and Florence were much slower and developed later. In the latter case, due to their institutional structures and the absence of an ambitious hegemonial dynasty, expansion was part of colonial policy within the Mediterranean area and regional economic hegemonies did not initially engender direct territorial subjugation.⁶

The growth of the city-state is a phenomenon almost without parallel in the countries beyond the Alps, where the territorial system continued to pivot on the rural seigneuries which were eventually to succumb to central government

⁶ For example, Venice overcame Treviso in 1344, Vicenza in 1404, Verona and Rovigo in 1405, Padova in 1406, Friuli, Bellino and Feltre in 1420, Crema, Brescia and Bergamo between 1426 and 1434.

power. In Italy, on the contrary, the formation of regional-states certainly limited the influence of the cities while still maintaining a polycentrism which was to characterise the country's politico-institutional framework up until Unification.⁷

Table 1
Population growth in Early Modern Italy (1500-1800)⁸
(thousands) See *Appendix*.

The differences in the relationship territory-city-economic system also weighed heavily enough to bring about big variations in population dynamics. Table 1, for example, shows the differences in population growth rates in various parts of the country and points to the usefulness of considering Italy as a complex of regional and subregional systems rather than as a national system.

B) THE ECONOMY OF REGIONAL ITALY: a «world-economy» at the centre of the European «world-economy» in the fifteenth and sixteenth centuries.

The long fourteenth-century crisis provoked an economic response which became more marked in the fifteenth century and affected mainly urban economies where manufacturing, trade and financial activities managed not only to compensate for the fall in agricultural production and in the rural population, but also to benefit from it. The Peace of Lodi (1454) put an end to internal

⁷ What S. Ciriaco says about Venice may be extended to Milan, Florence and Genoa: «...très peu des princes en Italie pouvaient se vanter au XVe siècle d'un pouvoir étatique relativement efficace et souple dans ses domaines comparable à celui qu'exerçait le patriciat de la ville-état vénitienne. Cependant la constitution de Venise, élaborée pour une république maritime jusqu'au XVIe siècle, et marquée par une profonde vocation commerciale, devait nécessairement subir des profondes transformations pour s'adapter à l'intégration de nombreuses villes, dont chacune a son propre marché urbain et souvent international. C'est pourquoi la thèse de l'*inflexible centralisation* s'est vue opposer une autre interprétation, celle d'un état fédéral, qui se serait mis en place tout en respectant une certaine autonomie des élites locales, représentées par les conseils de chaque ville. Ceux-ci deviennent de plus en plus l'expression des aristocraties locales, comme d'ailleurs ceux de Venise, et au même rythme.» Cf. S. Ciriaco, «Venise et ses villes. Structuration et destruction d'un marché régional (XVIe-XVIIIe siècles)» in AAVV, *The Dynamic of Urban Decline in the Late Middle Ages and Early Modern Times: Economic Response and Social Effects*, (Ninth International Economic History Conference — Débats et controverses), Bern 1986, p. 59.

⁸ G. Levi, «L'énergie disponible» in AA.VV., *Storia dell'economia italiana*, op. cit., p. 143.

rivalry and the economically more advanced areas of the Peninsula came to be dominated by four metropolises - Milan, Florence, Venice and Genoa. The first three of these each covered a large territory.

This was the Braudelian centre of the fifteenth-century world-economy: the four cities held sway over almost the whole of central-northern Italy and each had their own sphere of influence within Europe, although they did, to some extent, compete with one another as well as having overlapping interests. Moreover, each area specialised in order to operate in a regime of virtual monopoly in the fifteenth-century European world economy: Venice and Genoa controlled the maritime trade involving a wide range of products from north to south, while Milan and Florence controlled the production and distribution of luxury goods, textiles and weapons as well as financial and banking services.

The complex urban network - which left Piedmont practically isolated - spread along three axes that connected Milan to the Adriatic: the prealpine axis from Milan to Venice running through Bergamo, Brescia, Verona, Vicenza and Padua; the central axis along the Po through Cremona, Mantua and Ferrara; the southern axis (the Emilian way) by way of Piacenza, Parma, Reggio, Modena, Bologna as far as Ancona, and then taking in Faenza, Cesena, Forlì, Rimini, Pesaro and Senigallia on the one hand and crossing the Appenines in the direction of Florence on the other. At the same time, a string of smaller towns situated on the outskirts of the metropolises (such as Monza, Como, Novara, Alessandria, Tortona, Pavia, Piacenza, Cremona, Bergamo and Brescia around Milan; Treviso, Padua, Bassano, Vicenza, Verona, Rovigo, Chioggia around Venice; Arezzo, Cortona, Siena, S. Gimignano, Volterra, Pistoia, Prato, Lucca and Pisa around Florence) demonstrated the existence of other complementary networks and trade circuits that reached further into the countryside thanks to the presence of other small urban centres (such as Treviglio, Lecco, Abbiategrosso, Lodi and Crema) in the area surrounding Milan.⁹

The economic and politico-institutional hierarchy that grew up in the north did not exist in the Papal States, where, despite difficulties, the Pope managed to impose his rule. However, Rome continued to be only a political and religious centre and was never an economic pole or *reseau* of small and medium-sized towns. The minor centres of the Papal States tended to gravitate around Venice, as far as the area just north of Ancona and around Florence in the south.

A similar situation existed in the Kingdom of Naples, where the network of towns and urban centres was much more loosely interwoven than in the north. Here the process of government centralisation followed a different path which left feudal power intact and impeded the process by which urban capital penetrated into the countryside. This does not mean that the South remained

⁹ Cf. M. Aymard, «La fragilità di un'economia avanzata: l'Italia e le trasformazioni dell'economia europea» in AA.VV., *Storia dell'economia italiana*, cit., p. 24 et sequens.

isolated; as a supplier of raw materials and agricultural products (oil and cereals in Apulia and Sicily, wool in Abruzzo and Sicilian and Calabrian raw silk) it had a role in the general development of international trade. However, the growth of this trade - which revolved around a small number of coastal towns (Messina, Palermo, Naples and Cosenza) - was controlled and directed by foreigners: Genoese, Florentines, Tuscans, Lombards dominated trade movements and imposed their own rules, sharing out the profits with the local nobility and courts.

Thus the South's role in the world economy controlled by the Italians was that of «periphery». At first this subordinate role enabled the South to enjoy a degree of prosperity, due to particular circumstances, but in the long term it forced it to accept certain conditions which ultimately hindered attempts to engender real and lasting economic growth.¹⁰ Growth was in fact hampered already in the sixteenth century and the fact that the economy was based on long-distance trade and the exchange of raw materials and agricultural products for manufactured goods impeded the creation of «economic regions» in the Kingdom of Naples like those in the North, condemning the *Mezzogiorno* to stagnation and underdevelopment in subsequent centuries.

Political hegemony over regional territories was thus accompanied by economic (and sometimes political) hegemony over the Mediterranean, as well as control of the maritime trade with the Low Countries and Great Britain. The Milanese controlled overland trade with the Rhone Valley, Burgundy, the Meuse and Rhine Valleys, while the Venetians and Genoese enjoyed a virtual monopoly over trade with the Levant, where they purchased spices and luxury goods which the caravans brought from the Indian Ocean in exchange for gold and silver, or manufactured goods produced in western Europe and in Italy.

While Milan, Florence, Venice and Genoa were often bitter rivals on a political and institutional plain (and certainly political rivalry was a strong element of division), from an economic standpoint the archipelago of towns nestling in the green of the Po Valley was also a large market for collecting and distributing their industrial products.

This relationship based on complementarity between the various economic regions in Italy demanded a capacity for mobilising and coordinating resources and trade over a very large area and necessitated an internal division of labour. Such a division often cut across the towns' institutional boundaries, affecting — in the case of lower value products — the minor urban centres and the countryside (where wages could be kept down) as well as cutting across regional boundaries (such as the Marches, Umbria and Abruzzo). At the same time, the major towns increasingly specialised in products with high valued-added (such as Venetian glass and mirrors, Milanese gold and silk (luxury) textiles, Brescian weaponry, Florentine cloths and silks and printed paper, for which Venice was the capital and the world's chief publishing centre).

¹⁰ *Idem* p. 42 *et seq.*

The ability to organise production and distribution over vast areas and in different economic systems implied a series of technological innovations (especially in transport and communications) and financial innovations, ranging from insurance to monetary and banking services. It was in the latter sphere that the distinctive organisation of monetary systems could be used to make profits from the trade in money; the creation of tools for managing and transferring such profits enabled a small élite of merchant-bankers mostly Florentines, although afterwards Genoese and Milanese, to dominate the world of high finance, taking advantage of the high level of liquidity deriving from credit institutions, the widespread diffusion of both mercantile and banking subsidiaries and branches throughout Europe, the control of capital flows arriving in Rome from all over Christendom and the special relationship they enjoyed with princes and rulers. All this helped to create truly effective market for financial products which the «Lombards» extended to the whole of western Christendom.

C) FROM THE SIXTEENTH TO THE SEVENTEENTH CENTURY:
new developments, cohesion, signs of change.

The supremacy enjoyed by Florence, Milan, Genoa and Venice continued for most of the sixteenth century. The opening of the Atlantic routes and the temporary transfer of the centre of the European world economy to Flanders did not initially undermine Italian hegemony in the Mediterranean. Even Spanish rule, which was firmly established throughout most of the Peninsula after Cateau-Cambresis, did not seem to have such a negative effect on the country's economy, as was formerly believed.

This does not mean that politico-institutional changes were not important; on the contrary, they were central to the whole problem of cooperation and division among European regions. It suffices to mention the case of Milan: after falling under Habsburg rule in 1559, the duchy had a key role in the imperial system and the needs of taxation, public spending, and military housing all weighed on the economy and on the uses of capital.

Domenico Sella¹¹ has challenged the thesis which argues that Milan's decline was due to Spanish fiscal pressure, emphasising that the enormous deficits in the Milanese budget were financed more by the draining of capital from within the domestic market, by foreign loans (especially Genoese) and by subsidies from Naples and Sicily (in this sense, revenue raised in the South helped to finance expenditure in the north) than by increases in taxation. This policy of deficit spending, adopted in a full-employment economy, initially (1590-1605) seems to have brought about a considerable rise in prices and

¹¹ Cf. D. Sella, *Crisis and continuity. The Economy of Spanish Lombardy in the seventeenth Century*, Cambridge Mass., 1979.

wages and to have channelled capital towards the public sector and the financial market, adding internal problems to those which the system was already encountering internationally.

The policy of deficit spending had a completely different role in the period following the crisis of the 1630s when despite war, famine and disease it helped to provide the city - no longer a centre of production but rather a centre of consumption - with the financial flows necessary for maintaining a large class of *rentiers*, in a period when the economy was closely tied to agriculture.

In the second half of the sixteenth century agriculture was at the centre of innovation. Population pressure and the revolution in consumption led to a major effort to increase cultivable land by eliminating scrub land and reclaiming marshy areas; land investments using private and public capital brought about an increase in agricultural production and the commercialisation of production in the urban market. In this sense, as is well documented by sixteenth-century writers (*De re rustica*), the town was the mainspring for changes in the countryside. Once again man's actions in exploiting an area's «natural vocations» led to various transformations: the cultivation of rice and industrial crops (hemp, flax) spread in the reclaimed marshland of the Po Valley, while fodder plants replaced fallow land. Meadows became a permanent feature of the Valley and farmhouses and *corti* sprang up alongside country houses which were used for both recreation purposes and for directing work in the fields.

Similar changes took place in Tuscany and in Liguria where terracing on a large scale made it possible to exploit the land more fully and to plant shrubs, conditions which were to help give rise to a flourishing agricultural economy based on corn, oil and wine.

Lastly, towns were indispensable centres for redistribution and consumption: the expenditures of princes, the nobility and the upper middle classes led to an expansion in the manufacturing of luxury goods. In this way, housing investments, handicrafts, artistic and cultural products became important sources of revenue for the «economic regions» and multipliers of the social product. At the same time, new fashions, manners, cultures and sensibilities spread from the princely courts of northern Italy to other parts of Europe, only very recently touched by the Renaissance. The production of luxury goods and urban services grew rapidly in the Po region and engendered a demand for cultural services, which in turn gave rise to high-quality emigration (artists, architects, sculptors, literati, jurists, financiers etc.) and a corresponding influx of remittances. The lack of specific studies on the subject makes it impossible to quantify the latter; a bold calculation would suggest that it must have been as great as the influx of remittances two centuries later, which was to be so important in Italy's first industrial take-off.¹²

¹² E. Stumpo, «Hercole gallico o Prometeo italo: innovazione e tecnologia nell'economia italiana dalle guerre d'Italia alla seconda guerra mondiale» in Società italiana degli

With the discovery of the Atlantic routes to the Spice Islands, Venetian monopoly was challenged but not seriously undermined and throughout the century Venice kept her traditional clientele and continued to dominate Mediterranean trade; indeed she increased her role of commercial mediation between Aleppo, Beirut, Alexandria and Byzantium on the one hand and Italy and Europe on the other. The second half of the sixteenth century was thus a period of prosperity for the Republic of San Marco which responded to the increased presence of other Mediterranean and Atlantic maritime powers by developing domestic manufacture of «high cloths». In this way dependence on Lombardy and Tuscany was lessened, there was more certainty in the supply of textiles, costs were reduced and the Republic was able to deal more effectively with competition by offering her Muslim trading partners an increasing quantity of home-manufactured goods (Table II), thereby yielding double profits in trade and manufacturing.

Table II
Production of high cloths in Venice
(annual average for each decade)¹³ See *Appendix*.

Signs of decline, however, were visible in the transport and ship-building sector (the «trading galley» had fallen into disuse by the mid-sixteenth century and the size of the mercantile fleet fell from a peak of 42 ships of heavy tonnage in 1567 to 24 in 1605, over half of which were built abroad) and in defence, where the struggle to keep control of Mediterranean trading outposts against the Turkish onslaught was becoming extremely onerous for the Republic's finances.

However these factors alone were not sufficient to undermine Venetian supremacy which was only seriously challenged in the following century when the northern maritime powers established a firm hold in the Mediterranean and when the Dutch and English East India Companies were set up and began to control the Indian Ocean (even so in 1623 exports destined for the Levant were valued at 2 million ducats, consisting mostly of woollen and silk cloths).¹⁴ Meanwhile, private investors responded to the new situation abandoning trade, which was becoming less and less profitable, to invest in land and in its rational exploitation and to speculate at the exchange fairs, to the value of three million gold pieces at each fair.¹⁵ In this phase the principal factor bringing about

storici dell'economia, *Innovazione e sviluppo: tecnologia e organizzazione fra teoria economica e ricerca storica (XVI-XX secolo)* (forthcoming).

¹³ D. Sella, *Commercio e industrie a Venezia nel secolo XVII*, Venice-Rome, 1961, p.118.

¹⁴ U. Tucci, «Vita economica a Venezia nel primo '600» in AA.VV., *Galileo e la cultura veneziana* (forthcoming).

¹⁵ *Idem*.

change was the action taken by other European countries to free themselves from the subordinate role they had long occupied as the Italian mercantile cities' «outlying territories».

The fate of the other maritime republic, Genoa, was quite different. Since her principal interest in the East was centred on the trade of silks, cottons and alum, etc., she was not at all damaged by the discovery of the routes to India. Moreover through her traditional ties with Spain she came to have a pivotal role in the movement of men, merchandise and money in the overall design of the Austrian territories. As a Spanish protectorship and thanks to her perfect knowledge and control of international finance mechanisms, Genoa established herself as the Spanish empire's economic centre: the second half of the sixteenth century was truly the «Genoese century».

The hub of this financial activity, at least until 1580, was Lyons, and the competition from Antwerp and Medina del Campo was kept at bay and compensated for by the privileges which the French sovereigns granted to the «Italian nation». In this connection Aldo De Maddalena has noted that «real trade, pivoting on Lyons, scarcely differed from what it had been in the previous period and had given rise to the well-known trade-fairs in Champagne and later to the creation of smaller and less organised markets in the central-western zone of the old continent...The web of trading transactions was itself a source of substantial profit for the participants, but earnings multiplied when the web was intertwined with money and credit transactions. This was the «fabric», made from «material» yarn (that is, mercantile) and «non-material» yarn (that is, the yarn of exchange, credit and finance), which the Italians strove to produce in the Lyonese fairs, exploiting to the full the know-how inherited from the banking markets of the previous period in terms of operational opportunities and profit-making». ¹⁶

At the end of the sixteenth century, Milanese merchants also appeared on the scene, albeit with a subordinate role, taking advantage of the opportunities presented by the Besançon exchange fairs (1579-1621), set up by the Genoese merchants in Piacenza in 1579. The latter, as J.G. Da Silva observes, «separèrent le commerce de l'or et de l'argent de celui des marchandises, à l'époque même où les métaux précieux américains semblent avoir agi plus fortement sur l'économie européenne et, en particulier, italienne...A Bisenzone l'argent, moyen de circulation doit satisfaire à son acceptation par un surprix, c'est le coût de la liquidité». ¹⁷

The trading fairs made it possible to assess the relative liquidity of the various local currencies: controlling the flow of American silver and international payments in general, the Genoese were eventually able to

¹⁶ Cf. A. De Maddalena, «Con mercanti e banchieri italiani fra il Cinquecento e il Seicento» in *idem La ricchezza dell'Europa. Indagini sull'antico regime e sulla modernità*, Milan, 1992, p. 529 et sequens.

¹⁷ J.G. Da Silva, *Banque et crédit en Italie au XVIème siècle*, Paris, 1969, p.20.

«instituer une exploitation tranquille de la conjoncture grâce au jeu répète des arbitrages sur les monnaies». ¹⁸ Trade fairs now provided capital with an exclusively monetary outlet.

Thus for forty years the Po Valley, on the Genoa-Milan axis, became — by way of Besançon — the centre of a complex system of financial transactions in the world economy dominated by Europeans.

d). FROM THE CENTRE TO THE PERIPHERY: Italian regions in the seventeenth and eighteenth centuries.

In the seventeenth century important changes occurred in Italy's complex regional system and in the relations between the regions and Europe. Once again Milan stands as a general example for understanding the mechanisms of such changes.

The pressure from northern merchants, from the time of the first invasion in 1590, fell mainly on Venice, key to the Mediterranean, but its effects also reached Milan where the new draperies greatly damaged the traditional textile market: in 1620 there were 70 enterprises which manufactured 15,000 pieces; twenty years later there were only 15 enterprises, producing 3,000 pieces.

A new kind of commerce was being established, based on low labour costs, and it was now possible to expand the market to accommodate the lowest social groups (who previously had only been marginally involved in the market for luxury goods) in a way which would have been unthinkable in the past. In such a situation it is easy to understand why the new system created by the northern merchants could not be reproduced and superimposed on the «Milanese model», which was geared to urban manufacturing and was based on the strict separation between the domestic and international market.

The economic effects of a crisis, whose structural causes were becoming more and more evident, led to a process of disinvestment of capital in commodity trade and its reinvestment in Mediterranean money and financial markets.

«The closer we get to the end of the sixteenth century and to stepping into the seventeenth century», Aldo De Maddalena has rightly noted, «the more evident becomes the flow of wealth between the real estate market and the exchange market. Those who participate in exchange fairs, using their own or other people's capital immobilise a significant proportion of the profits earned at Piacenza in land investments and, viceversa, revenue from real estate is invested in exchange operations, to the detriment of investments in industrial and commercial enterprises. Rural activities seem to have replaced manufacturing and mercantile pursuits». ¹⁹

The situation in Venice was scarcely any better and in the course of the

¹⁸ *Idem*, p.26.

¹⁹ A. De Maddalena, «A Milano nei secoli XVI-XVIII da ricchezza reale a ricchezza nominale» in *idem*, *Dalla città al borgo*, Milano, 1984, pp. 290-91.

seventeenth century the Republic showed visible signs of economic decline with «the collapse in wool production (from 28,727 cloths at the beginning of the century to 200 in 1700) and in silk and in gold and silk production (7,159 pieces in 1662, 5,000 at the end of the century). In the same period soap production fell from 13 to 3 million pounds, while the French prohibited Venetian lace imports and produced their own lace in perfect imitation. In glass production, too, Venice lost its monopoly to France where great technological advances had been made.

In the seventeenth century the city of Venice gradually changed into a service centre and abandoned the Mediterranean to concentrate on exploiting agriculture and trade with the mainland, where a proto-industrial system was developing in the villages and in the small towns (at Schio, Valdagno, Friuli and above all in the countryside around Bergamo and Brescia) which was to spread to all the Alpine valleys from Piedmont to Carnia.²⁰

With the closure of Besançon and Spanish bankruptcy in 1627 Genoa lost her role as Spain's financial capital. Nonetheless the massive disinvestment of Spanish capital was partly compensated by commodity trade with the Iberian peninsula and by the search for new financial markets in Rome, France and the Empire.

In the international context, the transformations of the seventeenth century opened new horizons and the roles of the various regions in Italy changed accordingly. In the North the decline of long-distance trade reflected the collective decline of the Italian urban economies and the rise of those of the United Provinces and Great Britain, resulting in a number of changes in the economic systems of the former. The mercantile class and the urban patricians returned to the land and long-distance trade gave way to short-distance trade, while the revenue and profits generated by agriculture took on an essential role in the economies of those centres which in previous centuries had witnessed the triumph of manufacturing and financial enterprise.

As a macro-region the Po Valley lost its influence with depolarisation and repolarisation of urban and rural areas. In this process the formation of new states had an important role and paved the way to a new definition of the regions which is nearer to the present situation. Bergamo and Brescia, for example, began to gravitate economically around Milan once more, while Emilia weakened its ties with Lombardy and Leghorn and Ancona became the main outlets for Bolognese goods. At the same time, through the deliberate policy of the Savoy Dynasty, Piedmont enhanced its regional functions.

The decline of long-distance trade strengthened the town and countryside relationship within the structure of the Italian economy²¹ and in the slow

²⁰ Cf. S. Ciriaco, *Venise et ses villes*, *op. cit.*, p. 70 *et seq.*

²¹ «Le déclin des échanges à longue distance, particulièrement sensible pour le blé - plus tardive, mais aussi spectaculaire pour la soie (1660-1670) - les exportations siciliennes du blé, compromises dès 1591, s'effondrent définitivement après 1620, passant des

recovery of the northern Italian economy the primary sector came to have a fundamental, revitalising role.

In the Po area, which was divided into two broad agricultural areas (large tenant farming and sharecropping), capitalist agriculture progressed in terms of investments, land improvement and innovation and Maurice Aymard and Jaques Revel seem to be justified in pointing out that «le mouvement de bonification, par irrigation et drainage, amorcé à l'époque antérieure; se poursuit à un rythme lent et régulier, tandis que la structure de la production est modifiée selon deux directions principales: d'une part l'intensification des cultures arbustives, associées aux céréales (vigne, olivier et surtout muriers — qui permet le développement spectaculaire de la production de la soie, multiplié par cinq ou dix entre 1600 et 1850 au Piémont, Lombardie et en Vénétie, alors qu'elle stagne à ses niveaux de la fin de XVI^e siècle en Sicilie ou en Calabre; le maître, et ce n'est pas un hasard, préfère le plus souvent, dans le contrat *de mezzadria*, se réserver l'élevage du verre à soie».

«In the new international division of labour that was being created in the eighteenth century, the entrepreneurs from the north changed from being urban producers of silk and gold and silk textiles into rural producers of raw silk, forming a relationship of complementarity between the great emporium of Lyons and the Po plain. This situation was particularly advantageous for Piedmont, where the decline of mercantilism led to the development of silk spinning and twisting (in response to the needs of French manufacturing), and above all for Lombardy which, at the beginning of the nineteenth century, found itself in the best position to respond to the increase in the demand for raw semi-spun silk that derived from rising incomes in the industrialising countries and from the fashion of the European middle classes to ape the aristocratic élites. The democratic revolution and the industrial revolution combined to exalt the role of silk, opening channels through which the major innovations of the North were transferred to the Italian silk-growing regions».²²

The demand for raw materials and agricultural products that came from

350,000/400,000 quintaux vers 1580-1590 à 40,000 quintaux à peine vers 1710-1720; elles ne retrouveront qu'après 1740, pour une durée d'ailleurs breve, leur niveau du XVI^e siècle. Dans les Pouilles, de façon plus nette, la chute des exportations par voie de mer est compensée par la progression des transports terrestres en direction de Naples. Contre-épreuve observable à partir de Livourne, Gênes ou Venise. Les arrivages de 'blé de mer' sont réservés aux années de disette. La règle generale, même pour les plus grandes cités, c'est désormais demander à leur abords immédiats, et, si elles le peuvent, au territoire qu'elles contrôlent politiquement, leur approvisionnement en année normale». Cf. M. Aymard-J. Revel, «Niveaux et formes de développement des économies agraires en Italie (XV^e-XVIII^e siècles) in AA.VV., *Sviluppo e sottosviluppo in Europa e fuori d'Europa dal secolo XIII alla rivoluzione industriale*, Florence, 1983.

²² Cf. M.A. Romani, «L'imprenditoria nacque all'ombra del gelso» in *Il Mondo*, 18 September, 1989.

a Europe in the early throes of industrialisation reached a centre which had declined but which still possessed unused productive capacity, know-how and the experience gained in previous centuries necessary to exploit energy, skills, capital, innovation and entrepreneurial spirit. In this way the Po Valley was transformed into the cradle of the country's future economic development.²³

In the southern regions of the Peninsula the decline of long-distance trade proved to be especially damaging for grain (Sicilian exports dropped from 350/400,000 quintals around 1580/90 to 40,000 around 1710/20) and silk, and this caused a considerable reduction in the economic and financial activities of the Genoese, Lombard and Tuscan merchants in the southern markets, with subsequent loss of control over the Southern economy. The big trading ports (Naples, Palermo and Messina) were the first to pay for the consequences of this situation, which put an end to trade with the north and resulted in economic and demographic stagnation.²⁴

«Dans l'ensemble, donc, le rétrécissement des échanges à la longue distance du XVII^e siècle, et le relâchement des liens entre zones plus développées et régions exportatives de denrées agricoles ne permet pas à l'Italie méridionale de se libérer de structures qui, renforcées par la croissance du XVI^e siècle, apparaissent au XVIII^e tout aussi vigoureuses ... Le latifondo trouve lui-même ses propres capacités d'adaptation, il résiste parfois presque en marge de l'économie urbaine dominante, grâce au poids juridique et social d'une féodalité qui peut, dans le cadre de l'agroville, contrôler la force de travail et les

²³ Cf. L. Cafagna, *Dualismo e sviluppo nella storia d'Italia*, Venice, 1989, p. XXV et seq.

²⁴ Once again the reality is much more complex than our treatment here which is necessarily summary. In the case of Sicily, for example, as Domenico Ligresti has recently pointed out: «The period between 1630 and 1660 was one in which positive trends in population, grain exports, rents, trade and prices slackened or were inverted. Specific internal factors (typology of landownership and agricultural system, low levels of rent and labour income) linked to the «general» European crisis were the cause of the island's recession; after 1650 the collapse in grain exports led to the bankruptcy of landowners and big tenant farmers, the abandonment of the estates by stewards and *burgisi*, the slackening of trade and the decline of foreign shipping - especially ships of heavy tonnage - in Sicilian ports. Concurrently, the effects of the heavy fiscal and financial drain imposed by Madrid during the Thirty Years War were making themselves felt. The slump in prices and grain exports, the farming out of taxes and the sale of Crown property all brought about a drastic reduction in government revenue. In such a context of crisis and recession, which reached its height in the period 1680-1730, the population was far from passive and inert. Various attempts were made to change and reorganise the productive system without upsetting the status quo and show that there was a dynamism and vitality in Sicilian society which was not totally resigned to its fate. Various forms of legal protection together with the huge programme of foundation of new towns we have already mentioned the power of the landed aristocracy who acquired new and important segments of the domestic market which was in expansion due to the steady rate of population growth. In some areas share-cropping was replaced

débouchés, la production, la consommation et les échanges locaux; au contraire la petite et moyenne paysannerie des producteurs de soie est touchée, elle, de plein fouet ... L'emprise de villes méridionales sur les campagnes reste plus lâche, presque inachevée: en fait les campagnes siciliennes dépendaient plus étroitement de Gênes que de Palerme, les Pouilles autant de Venise que de Naples, et ni Palerme ni Naples peuvent ni ne veulent reprendre la succession des métropoles commerciales du nord; elles préfèrent attendre des jours plus favorables, sans toucher à un ordre économique et social qui fonde la richesse de leurs classes dirigeantes». ²⁵

APPENDIX

Table 1
Italian Population between 1550 and 1800 (thousands)

	1550	1600	1650	1700	1750	1800
North Italy	4.746	5.412	4.255	5.660	6.511	7.206
Central Italy	2.542	2.915	2.738	2.777	3.100	3.606
Kingdom of Naples	3.050	3.320	2.850	3.300	3.900	4.847
Islands	1.108	1.424	1.527	1.456	1.776	2.136
Total	11.446	13.071	11.370	13.193	15.287	17.795

by long leaseholds and in others the landed classes were able to benefit from the development of the silk industry. Up until the Revolution Messina was the principal centre for silk exports, the volume of which increased significantly, thereby compensating for the decline in grain exports». Cf. D. Ligresti, «Per un'interpretazione del Seicento siciliano» in *Cheiron*, n. 17-18, *L'Italia delle Austrias. Monarchia cattolica e domini italiani nei secoli XVI e XVII*, p. 98.

²⁵ Cf. M. Aymard-J. Revel, *Niveaux et formes de développement*, cit., p. 218.

Regions in Italian History (XVth-XVIIIth Centuries)

Table 2

Production of high clothes from 1516 to 1713

Year	n° pieces	Year	n° pieces	Year	n° pieces	Year	n° pieces
1516	1.310	1565	20.335	1614	21.914	1663	7.748
1517	2.182	1566	16.107	1615	18.371	1664	9.325
1518	2.150	1567	19.360	1616	18.064	1665	9.975
1519	2.802	1568	20.065	1617	16.323	1666	8.630
1520	3.639	1569	26.541	1618	18.565	1667	7.522
1521	4.701	1570	9.492	1619	22.594	1668	6.124
1522	3.376	1571	12.181	1620	23.000	1669	4.778
1523	4.413	1572	14.896	1621	18.863	1670	5.226
1524	4.389	1573	13.686	1622	14.778	1671	6.896
1525	1.990	1574	21.296	1623	12.976	1672	7.694
1526	3.444	1575	25.501	1624	15.272	1673	5.302
1527	4.967	1576	10.183	1625	16.998	1674	5.709
1528	4.362	1577	13.861	1626	15.804	1675	6.866
1529	4.141	1578	21.734	1627	21.124	1676	5.485
1530	6.065	1579	23.678	1628	18.862	1677	3.637
1531	4.537	1580	21.387	1629	15.027	1678	3.495
1532	6.336	1581	19.386	1630	13.275	1679	3.900
1533	6.134	1582	18.625	1631	8.053	1680	3.820
1534	5.088	1583	18.505	1632	13.000	1681	4.249
1535	5.366	1584	20.577	1633	13.551	1682	4.396
1536	4.103	1585	21.450	1634	13.102	1683	3.497
1537	4.111	1586	22.288	1635	13.999	1684	2.912
1538	4.711	1587	17.472	1636	12.723	1685	3.315
1539	5.467	1588	15.916	1637	12.631	1686	2.485
1540	7.000	1589	19.183	1638	13.640	1687	2.174
1541	7.772	1590	20.607	1639	11.359	1688	1.738
1542	6.650	1591	26.018	1640	11.719	1689	1.885
1543	6.648	1592	27.299	1641	12.945	1690	2.009
1544	9.158	1593	23.941	1642	14.519	1691	2.248
1545	9.229	1594	18.294	1643	14.550	1692	2.424
1546	8.340	1595	21.413	1644	12.492	1693	3.628
1547	9.142	1596	22.311	1645	9.346	1694	3.110
1548	11.465	1597	16.252	1646	9.436	1695	2.905
1549	10.223	1598	20.232	1647	9.789	1696	3.196
1550	11.558	1599	23.325	1648	10.853	1697	3.000
1551	11.289	1600	24.719	1649	8.890	1698	2.030
1552	9.639	1601	28.601	1650	10.082	1699	1.873
1553	9.811	1602	26.729	1651	11.459	1700	2.003
1554	11.974	1603	21.968	1652	10.086	1701	2.803
1555	14.826	1604	18.987	1653	11.459	1702	2.603
1556	14.818	1605	20.010	1654	10.933	1703	2.377
1557	16.489	1606	20.833	1655	10.111	1704	2.067
1558	17.389	1607	18.778	1656	9.330	1705	2.399
1559	14.613	1608	23.318	1657	7.716	1707	1.936
1560	17.569	1609	18.318	1658	9.262	1708	2.070
1561	14.151	1610	17.129	1659	6.847	1709	2.104
1562	14.736	1611	16.079	1660	7.861	1710	2.057
1563	14.432	1612	16.193	1661	6.251	1711	2.205
1564	16.826	1613	21.740	1662	6.543	1712	1.721
						1713	1.922

