

## Book Reviews

**Giampaolo Conte**, *Il credito di una nazione. Politica, diplomazia e società di fronte al problema del debito pubblico italiano 1861-1876*, Edizioni di Storia e Letteratura, Rome, 2021, pp. XIII, pp. 114.

Giampaolo Conte's book, divided into three chapters – plus the introduction and the final considerations – addresses a fundamental question of economic and financial studies, treated extensively due to its importance in reality and in present society: public debt. The approach of the author, however, represents a turning point in the analysis of public debt management and sustainability, wishing to detach itself from the analysis methodologies of social scientists belonging to the field of economic-statistical studies, which have characterized the work of recent decades on this topic; and it has the ambition of providing a new interpretation regarding phenomena which, today more than ever, are relevant and in need of interpretation, namely the importance of the political credibility and reliability of a State regardless of its financial conditions.

The author “intends to deal with the events of the Italian public debt in the first post-unification phase from an eminently historical perspective, placing them within that basket of political, diplomatic and social problems of the years of government of the liberal Right” (p. IX). The debt problem is placed within a broader framework in which the initiatives of Italian diplomacy are analysed “using a multi and inter-disciplinary approach, which goes beyond the purely economic field, embracing methodological elements typical of contemporary history and of international relations”, with the ultimate aim of creating a homogeneous narration of the events inserted in a precise chronological order (p. IX).

The volume, which presents a solid endowment of unpublished archival documents and leading secondary sources, touches on key topics of the first phase of the history of Italy up to 1876: the birth of the liberal state; the political situation characterized by the liberal Right and the liberal Left; the social stratifications of the country; the question of the South, where the creation of profit caused the emergence of clear inequalities whose repercussions have been evident up to present time. This study mainly examines the liberal Right, i.e., that

set of personalities who had made the Risorgimento and who had a culture of the Savoyard diplomatic-military state, who find themselves, after the interlude of the agreement with France for the renunciation to Rome, in a country where there is a clear separation between the real and the legal country. However, the central theme of this research is the issue of debt, which, by the author, is defined as “a primarily political issue to the extent that it is politics that decides an increase or decrease in public spending, also and above all in deficit” (p. 1).

The history of public debt and of debt policies, implemented by the various state actors, is closely linked to domestic and foreign policy factors and defines the social stratification of the Italian nation, its problems, the power struggles and the most important issues at international level, i.e. the issues of geopolitics and sovereignty. Therefore the thesis supported by the author is that public debt policy is a political choice that reflects clear class interests within society: the Italian State, therefore, was born in the awareness of grounding its own credibility on the ability to repay debts contracted for the wars of Risorgimento, the unification and the creation of that network of infrastructures useful for integrating Italy into the European context and into the capitalist world-economy of the 19<sup>th</sup> century (p. 102). The liberal Right, therefore, through its objectives and, at the same time, instruments, i.e. order and the economy, gives up the possibility of cancelling the debts of the pre-unification states and those contracted during the unification process: in fact, the constitutive nature of the new Italian state was the desire to fully integrate into that model of relationship between state and capitalism typical of the advanced liberal states of Northern Europe, above all France and Great Britain, directly or indirectly interested in the process of Italian unification.

In the first phase following the unification of Italy we find a state governed by a small elite, generally made up of exponents of the richest classes, therefore the debt policy was to the advantage of the latter. The next phase, on the other hand, brings a radical change: in fact, thanks to the enlargement of the voting right, new social classes were born, which, in turn, expressed the desire for greater consideration; therefore, with the aim of legitimizing itself in the face of these emerging players in the society, the State favoured specific debt policies to meet the new needs, exploiting the debt for the purpose of nationalizing the masses.

The post-unification Italian state was born with a very low public debt, around 40% of GDP (Chart 1, p. 107), yet it was a nation on the verge of financial abyss: the size of the public debt, in fact, does not affect decisively the financial stability of the country compared to other European nations (p. 25). Italy had numerous other internal and

external problems which did not include the ratio of public debt to gross domestic product, but which could have crushed it. The most pressing issues were: intractable budget deficits; an almost generalized weakness of the administration; an unsuitable bureaucracy; unfair and absent taxation; the reactionary demands and the peasant malaise; banditry; the continuing problems of border defence against external threats. In a later phase, however, when the public debt of the country increased, Italy was considered as a credible state, by virtue of the measures adopted in the financial field. In this context, the role and capabilities of Italian diplomats are carefully underlined, as political action had to be supported by diplomatic action of the same level and quality: in fact, the ruling classes of the period in question were represented by capitalists, educated politicians and diplomats who, although in competition with each other, worked together to achieve certain common objectives.

The final chapter of the volume is dedicated to the theme of the management of the papal public debt, following the conclusion of the second war of independence, which demonstrates how a part of the delegation of the papal state becomes part of Italy, without, however, the willingness to recognize its sovereignty: this question raised a diplomatic problem which had to be resolved within the framework of foreign policy through the mediation of Napoleon III (pp. 81-99). The importance of the skills of the Italian diplomacy is analysed in depth by explaining this complicated negotiation, at the end of which the Italian State took charge of the papal debt, despite the fact that part of the country was not in favour of this solution, and moved the capital from Turin to Florence, as the result of a compromise which, in any case, would not have been a definitive solution.

The volume describes the encounter and the clash between different economic and social systems which are expressed even in the pre-unification phase in different economic and financial structures and public debt policies. The liberal Right governed a country that did not enjoy the trust of the European financial elites, therefore, the credit that the Italian nation had to achieve, even in the strict and technical sense of the term, was the same reliability at an international level. The author clearly describes the passages concerning the efforts of Liberal Right politicians in the cases of the management of the papal public debt and the negotiation of debts on international markets or on domestic markets, in an attempt to keep the Italian State afloat, which they succeeded.

Furthermore, Conte also manages to define the exemplary case of Naples, which represented a contradictory context with respect to the ideas of advanced Anglo-Saxon capitalism and of the entire European space: while between the sixteenth and seventeenth centuries, Spanish

Naples was a large financial centre in the Mediterranean, two centuries and a half later it was relegated to the rank of marginal reality (pp. 47-48). However, the case of Naples, as demonstrated by the author through the re-reading of analyses by eminent scholars, retained its clear specificity as regards public debt, as each social class had the possibility of investing in cuts, even very small ones, of public debt.

The examples described by Conte present a phase of a longer lasting journey concerning the affirmation of modernity, brought about by a ruling class interested in defending the interests of a particular social class, but who, by realizing this mutation, transformed a country that did not enjoy the trust of the powerful States of the Old World projecting it towards the nation-building phase, although the final results were modest compared to those initially hoped for. The "responsibility" and "moral worth" of the liberal Right led them to "pursue their own goals at the expense of their popularity" (p. 101). In fact, the ruling class that governed from 1861 to 1876 was often accused of "excessive cynicism in the face of growing discontent in the country and perhaps of little passion" (p. 101). However, as Conte states, the men of the liberal Right must be recognized for "the firmness of their convictions and the unfailing tenacity applied in the achievement of the pre-established goals, despite the political price then paid" (p. 101). Achieving the balanced budget objective was a concern for prime ministers and finance ministers, aware that it was not just a question of "mere economic data but a result of great ideological value, in the belief that the moral program of the unification included its economic stabilization" (p. 101). The European geopolitical situation of those times required the achievement of this objective to consolidate the new Kingdom politically, financially and morally among the great European nations (p. 104). As the author states: "Despite the obvious difficulties that emerged in the management and recovery of a country suffocated by a desperate fiscal situation, the unity of the objectives pursued by the men of the Right was decisive in making the new-born Kingdom a respectable nation, with ambitions of a future international power" (p. 104). The political class of the Right, therefore, carried out a revolution, "silent but capable of preparing the country for the effective leap towards that model of industrial-capitalist society" which allowed a large part of the Italian population to emerge from "a condition of objective misery" (p. 104). Conte concludes his reflection by stating that "the foundations laid by the men belonging to the Historic Right in moral, ethical and practical terms have been an example on which the future of Italy and its position at the centre of the capitalist world economy has been built" (p. 104).

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