

Massimo Fornasari, *Puzzle. Una storia del denaro*, Giappichelli, Torino 2024, pp. XXIII, 212.

The engaging book by Massimo Fornasari aims to describe the enduring history of the development and evolution of money, using an engaging narrative that is accessible to a wide range of readers. The volume is therefore not presented as a research product accessible only to a narrow circle of experts: by addressing the issue of money, not only from an economic point of view but also from a historical, social and cultural one, it offers a complete overview of how this entity has shaped people's everyday life.

The book is part of a prolific and long-lasting debate that, influenced by the ideas developed by social scientists, has told the story of money in many interesting ways. For this reason, the author enriches his narrative by retracing the main stages of the theory around the definition of money and by providing his work with a rich bibliographic apparatus, which has the merit of considering all the approaches to the history of money. Fornasari draws a path that starts from the first forms of exchange and the first forms of currency up to the sophisticated modern financial structures.

The author shows his methodological approach to the issue from the very first lines, clarifying the differences between the various interpretations of money, such as those made by economists and historians-anthropologists, which are often divergent. In this way, Fornasari also shows his own approach to the issue, recalling the definition made by Karl Polanyi, who, like other "primitivist" social scientists, opposed the vision of money as a means of exchange: "[...] money is a system of symbols, similar to languages, writing, or weights and measures" (p. XIII). In fact, Polanyi "believed that the logical-formal approach adopted by neoclassical economists was misleading and that it should be replaced with a "substantial" vision of the economy, attentive to the relationship between human groups and their natural and social environment" (p. XIV). By virtue of this "heterodox" approach, therefore clearly in favor of a definition of money as a unit of account, Fornasari engages with a vast literature that owes its origins to the studies of Georg Friedrich Knapp, who is considered one of the founders of the so-called Chartalism, whose legacy was taken up by the so-called Modern Monetary Theory, "supporter of the role of the State as creator of money" (p. XIV).

Starting from the introduction, Fornasari manages to trace a history of money that spans the centuries, focusing on the theories regarding the birth and functions of money, which have pitted the two main camps against each other, the Chartalist one, on the one hand, and the

Metallist one, on the other hand. In fact, during the last decades this clash “has deepened further, projecting the contents of the debate from the economic systems of the past to the prospects of the market economy”, leading to a division that expanded from the historical and sociological aspects to the theme of economic and monetary policies (p. XVII). In this comparison and clash between the two camps, the author’s intention and research question emerge, that is, to answer the question of what money actually is and, above all, to contribute to revealing the so-called “enigma of money” (p. XVIII).

The book does not limit itself to telling the story of money in a linear way but also offers food for thought on the moral and social implications of money itself. The author analyses how money has influenced human behavior, social relations and power dynamics, revealing the mechanisms behind the global economic system. In short, Fornasari’s volume aims to “dialogue [...] with some of the main heterodox theories of money” to reconstruct the history of money and valorize the impressive literature produced on the subject, focusing his attention on recent research, which “testifies to the renewed interest in the topic in a prospective perspective, linked in part to the financial crisis of 2007-2008” (p. XXI).

In the first two chapters the author reconstructs the history of the invention of minted money, focusing on a controversial issue related to the introduction of a substitute entity for “some previous form of ‘primitive’ money” (p. XXI). The introduction of money is explained through its meaning and its diffusion in the Greek, Near Eastern, Roman and Chinese civilizations from the 5th century BC to the 13th century AD. The third and fourth chapters delve into the merits of the issue, as they present the history of the centuries characterized by the progressive monetarization of the West, which, however, was slowed down by monetary fragmentation and the difficulty of travel (pp. 44-46). Furthermore, the theme of the commercial revolution that characterized the Late Middle Ages is effectively analyzed by underlining the coincidence with the start of the monetary revolution: the first European economic expansion, in essence, was supported by institutional innovations, on the one hand, and by others relating to the field of business and credit, on the other hand (pp. 47-48). The intensification of the search for precious metals, the subject of the previous chapters, finds its apex in the sixteenth-century saga of Spanish silver, which is the subject of chapter five. These pages also provide a new reflection on the century of Iberian dominance and the advent of the so-called “price revolution”, as it was defined by the exponents of the German historical school (pp. 69-80). Chapter six presents the advent of forms of money alternative to metal money, which represented the “will of

private individuals to equip themselves with their own monetary instruments to counter the sovereign authority – the bill of exchange first and foremost – partly supported by the latter in an attempt to make up for the scarcity of commodity money” (p. XXII). The author therefore presents the example of the excessive “issuance of divisional coins minted in copper” in numerous European states between the sixteenth and seventeenth centuries (p. 83) and the start of controversial financial experiments that led to the expansion of the circulation of *fiat* money (pp. 84-105): these practices, however, coincided with some serious financial crises that began at the beginning of the eighteenth century, highlighting “the complicated connections that linked public finance to private finance” and making “evident the difficulties of governing *fiat* money” (p. 97). Chapter eight begins an even more structured analysis, analyzing the period in which, according to some scholars, “the foundations of modern monetarism” were laid, that is, at the end of the seventeenth century in England (p. 107). In fact, as the author states, “the debate that developed then around the so-called Great Recoinage, considered necessary to re-establish the value of the pound sterling – which had depreciated in weight and value – was one of the major monetary events in the financial history of modern Europe” (p. 107). The chapter therefore focuses on the theses of John Locke and Isaac Newton, “advocates of a liberal economic order”, according to which a substantial subtraction of the monetary system from the political decisions of the sovereign was achieved, by basing it on commodity money (p. 112). The chapter continues by analyzing the extension of the gold standard to all the countries involved in the industrialization process during the nineteenth century, up to the post-war period, discussed in chapter eight, when the crisis of 1929 imposed a change of direction, hoped for by John Maynard Keynes in the autumn of 1930 (p. 139). Chapter nine, whose object of study is the Bretton Woods Conference, presents the last hope of “maintaining a link with the commodity standard” (p. 157), which was only an illusion that inevitably collapsed at the beginning of the Seventies under the weight of its contradictions. The final chapter presents, in fact, a new financial revolution based on the pillar represented by *fiat* money. As the author states, “some corollaries of the new «financial revolution» were the prevalence of finance over the real economy, the theoretical hegemony of the monetary doctrine which reaffirmed the subtraction of the monetary system from the political decisions of the sovereign and the neutrality of money; the independence of the central banks” (p. XXII).

The book concludes with a fundamental final section dedicated to the financial crisis, dealing with the causes and consequences of the

moments that have characterized recent history, such as the 2008 crisis and the subsequent evolution of the global banking and financial system, and providing a historical narrative that is intertwined with a critical reflection on economic policies and banking practices. Fornasari creates a work that will be fundamental for future research on the history of money, with which, indeed, every researcher will have to deal. The volume stands out for its ability to explain a complex topic in an accessible way, without sacrificing depth and historical accuracy. It is a work that not only satisfies intellectual curiosity but also stimulates deeper reflection on economic dynamics and the role that money plays in our lives.

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