
F. Dandolo, *Luigi Einaudi tra le due guerre. Questioni sociali e banche*, ABI Servizi-Bancaria Editrice, Roma 2022, pp. 320.

Francesco Dandolo's new book is the second work in the context of a broader research project promoted by the Luigi Einaudi Institute and ABI Servizi-Bancaria Editrice. Through this analysis, Dandolo intends to continue the analysis and enhancement of the major problems raised by Luigi Einaudi's thought. Among these themes, the value attributed by Einaudi to the "leagues" of entrepreneurs and the essential function they perform, together with the "leagues" of workers, to "facilitate the dialogue between the citizen and the State, within that dense network of intermediate organisms and bodies (the family, the electoral college, the school, the university, the scientific academy and the political party, as well as naturally the leagues of entrepreneurs and workers) which innervate a healthy society" (p. 7). Dandolo has explored the issues of economic associations and Einaudi's thought in liberal Italy in the previous volume.

In the second work of this series, the author focuses his attention on the analysis of social issues and banking associations, considering the period from 1919 to 1939. The two decades after the First World War were particularly important as Italy was devastated by the social struggles and the so-called "biennio rosso" (Red Biennium): these instabilities then resulted in the advent of the fascist regime, which had a profound effect, among others, precisely on the phenomenon of economic associations, which, consequently, was overwhelmed by the corporate State (p. 7). In the same period, the "issues of banking associations were organically and intimately intertwined with the more general evolution of the Italian credit system, which in those years was the subject of a series of [...] revolutionary changes" (p. 8).

The volume is divided into two parts, which correspond to the two

essays of which the volume is composed: in the first part, Francesco Dandolo analyses Einaudi's thought and its evolution over time, reflecting on the two major problems that engaged the economist's reflection in the period from 1919 to 1939: social issues and the banking world. As for the second part, written by Valerio Torreggiani, the author delves into the birth of corporate architecture and retraces in detail the fundamental stages of the development of the Italian banking system between the two world wars and the relationship between banks and politics. Torreggiani, focusing his analysis on the representation of banking interests, highlights that the action of banking associations during the years of fascist hegemony was strongly delimited and restricted (p. 15).

For the purposes of the work, the two parts of the volume are placed on complementary levels with the aim of outlining Einaudi's thought in the years between 1919 and 1939 and inscribing it within the confines of the political, economic and social context of Italy between the two wars (p. 11). This analysis is accompanied by a necessary historiographical overview of the context and its transformations: the latter, in fact, are critically observed by Einaudi to underline the elements of ineluctability, given the political drift towards totalitarianism that swept Italy in the first post-war period.

The interest of Einaudi, conveyed through numerous essays and writings that appeared in newspapers, periodicals and scientific journals, was carefully directed to the phenomenon of social ferment that characterized the first post-war period, which marked the transition period between the liberal regime and the advent of fascism: liberal principles "which since the phase of his formation conform and direct his thought" are clearly outlined in the first pages of the work (p. 12; pp. 25-28). This historical period, marked by incessant social unrest in opposition to the rise in prices, led Einaudi to a reflection that is deepened in the first section of the volume: the economist, in fact, recalled "the need to return to an open regime for international trade and, therefore, to full freedom of trade to get out of the grip of customs duties imposed by the war phase" (p. 12). The distorting dynamics introduced by the First World War persuaded Einaudi to denounce the slowness of the State in freeing itself from the "war trappings", which was completely unjustified after the end of hostilities and could not conform to the principles of liberalism (p. 28).

Given the serious instability in Italy at the end of the war, Einaudi considered that the "attentive economist" had to "take on increasingly inflexible positions", reiterating that it was intolerable to endorse union demands, which could probably harm the workers themselves (p. 39). Furthermore, the precarious situation made it necessary once again to resort to dialogue between the associations representing industrialists

and workers in order to be able to reach common ground and thus ensure stability in the country; for this reason Einaudi positively evaluated the agreement concluded in Milan between the “leagues” of workers and the industrialists, emphasizing his satisfaction with a new circumstance in which the two parties had given proof of being able to find “agreement on a shared program capable to direct society along the path of progress” (pp. 32-35). As highlighted by Maurizio Sella, Einaudi believed that between the 1920s and the following decade the representation of the interests of entrepreneurs should have contributed to the common good. At the same time the “leagues” of entrepreneurs had to safeguard “the fundamental skills dictated by the various roles of the actors in a scenario in which this distinction was seriously jeopardized by public intervention in the economy, which increasingly took on the features of an overwhelming regulation and political control, as well as competition in the production of goods and in the provision of services” (p. 8).

The period of transition from the liberal government to the fascist regime marked a turning point in the issues involved in Einaudi’s analysis: the questions concerning associations, which were inexorably dying out, gave way to the study of the functions and prerogatives of banks. The attention of Einaudi was aroused by the changes that were gradually being introduced in the finance and credit sector: the author refers to the attempted “bank takeover” carried out by the major Italian industrial groups, and the consequences of all this on the Italian economic system (pp. 49-54).

The volume clearly shows Einaudi’s liberal approach to banking issues, underlining the latter’s opposition to “economic nationalism” (p. 51) and the contrast to any form of monopoly (p. 51). It also reveals Einaudi’s opinion regarding the proper functioning of credit institutions, which were custodians of the “responsibility for managing other people’s money” (p. 54). Savings was essential not only for the purposes of containing the circulation of money and therefore of inflation and price stability but also for its social function linked to the sobriety of the lifestyle (p. 106). Therefore, it was no longer to be considered as an attitude linked to the interest of the individual, but as an essential tool to guarantee the well-being and growth of the national income, emphasizing the “active role of the economist” in calling for moderation and justice (pp. 42-45). Banks, at the same time, shouldn’t have done business solely for profit.

Dandolo clearly outlines Einaudi’s impressions and assessments regarding the changes in credit legislation during the fascist regime: the author refers to the banking law of 1926, through which the monopoly on issuance was granted to the Bank of Italy (pp. 85-89) and

which jeopardized the actual implementation of development projects. The admission of the inability to solve these problems would, however, compromise the possibility of accessing further funding and, in an attempt to cloud the failures, a plausible culprit was sought. The consequence of all this is that the responsibility for the failure of development policies fell on the population, indicated as the subject who was unable to exploit the alleged possibilities made available for the development of the local economy.

Matteo Nardozi
Sapienza University of Rome
