

Book Reviews

ANCIENT TO MODERN EUROPE

Financial Innovation and Resilience: A Comparative Perspective on the Public Banks of Naples (1462–1808). Edited by Lilia Costabile and Larry Neal. Cham: Palgrave Macmillan, 2018. Pp. xix, 372. €155.99, hardcover; €93.08, eBook.
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The Historical Archive of the Bank of Naples (*Archivio Storico del Banco di Napoli*) hosts the world's largest collection of banking records. This collection is not only impressive for its size (it occupies more than 300 rooms) but also for its chronological breadth, covering five centuries of European history. *Financial Innovation and Resilience*, a book that originated from an international symposium held in Naples in 2017, is a celebration of this fabulous repository and of the ancient banking institutions that produced it.

As such, it is both a welcome and belated work. The Archive, in fact, might as well be the largest of its kind in the world and might document—as it is repeatedly claimed in the book—that Naples was in some respects the cradle of modern banking. Yet, I wonder how many financial historians outside Italy were (and are) aware of its existence, let alone its importance. And, honestly, it is hard to tell whether we should ascribe such ignorance to a widespread historiographical bias that has long neglected Southern European history and extolled the economic and political achievements of Northern Europe, or to the inward-looking attitude of Italian scholars of the past, more concerned about writing history for their fellow citizens than for the international community.

Be it as it may, this book aims precisely at bringing to the attention of an international audience the remarkable history of early modern Neapolitan banking. On the one hand, it summarizes the most recent research on the Neapolitan system of public banking and, on the other, embeds it into a larger comparative context. As such, the book can be read both as the first significant contribution in English to the early history of Southern Italian banks and as a broader collection of essays on the origins and future challenges of Western central banking, written by some of the most distinguished financial historians.

The main foci of the book are the public deposit banks (*banchi*) created in Naples between the fifteenth and seventeenth centuries. This banking infrastructure was remarkable for at least three reasons. First, these banks had a long-lasting legacy. They were absorbed by a governmental deposit bank under the Bourbons (1816–1860), which then transformed into a public bank of issue after the unification of Italy (i.e., the *Banco di Napoli*). The Banco di Napoli was a major player in the Italian credit market. Together with the *Banco di Sicilia* (another similar public bank established under the Bourbons), the Banco di Napoli prevented the Bank of Italy from obtaining the monopoly of note issuance until 1926 and only ceased to operate as an autonomous institution as late as 2018, after its definitive incorporation into Intesa Sanpaolo. The second reason why early Neapolitan banks beg attention from financial historians is that they pioneered the issuance of transferable deposit certificates akin to checks—a major innovation compared to ledger money. Third, they originated as offshoots of Renaissance charities and were managed according to a “stakeholder logic” that distinguished them from fully private banking houses. Moreover, though not owned by public authorities, they had a complex relationship with the government, which eventually took them over in the midst of the Napoleonic Wars and replaced them with a new state institution of its own making. For these reasons, their history sheds new light on major topics such as long-term banking development, resilience through crises, financial innovations, and the role of fiscal concerns as well as broader public interests in the shaping of credit markets.

The book is structured into four parts. After an introductory chapter by Charles Goodhart on central banking over the last two centuries (from the real bills doctrine to the Great Financial Crisis and the challenges ahead), Part I discusses the most recent findings of Italian scholars on the functioning of the Neapolitan public banks before the Restoration. Chapter 2, by Lilia Costabile and Eduardo Nappi, explores their role as money creators. Chapter 3, by Rosalba di Meglio and Paola Avallone, and Chapter 4, by Raffaella Salvemini, analyze their philanthropic

origins and the coexistence of credit and charitable activities. In Chapter 5, Francesco and Luigi Balletta, with Eduardo Nappi, investigate the banks' investment strategies.

Parts II and III open up the horizons to contemporary developments in other Italian and European countries. Chapter 6 by Larry Neal reviews the financial innovations developed during the Thirty Years' War. Luciano Pezzolo, in Chapter 7, compares the banking systems of Florence and Venice and their interactions with the local governments. Giuseppe De Luca and Marcella Lorenzini, in Chapter 8, focus on the financial development of Northern Italy in the sixteenth and seventeenth centuries. In Chapter 9, D'Maris Coffman studies monetary experiments during the English Civil Wars and Interregnum. In Chapter 10, François Velde analyzes the nature and workings of the Neapolitan banks in the wider context of European public banking. In Chapter 11, Clemens Jobst discusses the Habsburgs' experimentation with public banking in both Austria and Naples. In Chapter 12, Antoin Murphy proposes a reinterpretation of the emblematic figure of John Law in light of the challenges central bankers had to face at the turn of the twenty-first century. Chapter 13, by Stephen Quinn and William Roberds, is devoted to the history of the Bank of Amsterdam.

Finally, Part IV addresses some broader questions, namely the historical development of international currencies (by Barry Eichengreen), the strengths and shortcomings of public banking in light of the Great Financial Crisis of 2007–2008 (by Gerald Epstein and Devika Dutt), and the interplay between profit and non-profit motives in Italian banking in the past and today (by Adriano Giannola).

This book is undoubtedly a major contribution to European banking history and will hopefully succeed in reshaping the traditional canon by extending it to the southern periphery (of Italy and Europe), a historical region traditionally conceived as a sleepy financial backwater. By doing so, however, it also tacitly reminds us that even more needs to be done. In terms of chronology, the book explores the early modern age but is silent on the subsequent development of Neapolitan banking. This reflects the current tendency in Italian historiography to pay closer attention to the pioneering role of Neapolitan banking in its heyday rather than to its transformation in the age of central banking proper, that is, the nineteenth and twentieth centuries. True, in that period Naples was no longer at the forefront of financial innovation, but precisely for this reason, the tale of how a once decentralized system of municipal banking metamorphosed first into a fully governmental bank, then into an Italian bank of issue under the control of Southern public bodies, no longer leading but catching up with financial development introduced from the outside, can provide new insights on fascinating topics such as the rise and fall of financial centers, the "Little Divergence," and the role of governments and local politics in this reversal of fortune.

In terms of geographical coverage, I think the next step would be to go beyond both Naples and Europe. No doubt, Naples was and always remained the most prominent financial center of Southern Italy, but we should not forget that public banking was no Neapolitan preserve. Although almost entirely fallen into oblivion, there was, for instance, public banking in the Kingdom of Sicily, too. Another, more ambitious avenue of research would then be to compare public banking and monetary innovations in the southern European periphery with possibly similar experiments outside Europe.

Knitting together conference proceedings is notoriously arduous, especially when the aim is to bring into dialogue two literatures—one on Naples and another one on international central banking—which seldom cross paths. The editors have been successful in accomplishing this task, although it seems to me that in a few cases it would have been useful to make the connection between some chapters and the main topic of the book, namely early modern Neapolitan banking, more explicit. (For instance, to what extent is the issue of international currencies relevant for a currency—either the Neapolitan *ducato*, or Neapolitan paper money—that never truly achieved this status? Or how does a re-examination of John Law's scheme contribute to a better understanding of the Neapolitan experience?) This might be a matter of taste, but I also had the impression that the book's structure might have been a little rearranged. The extremely rich chapter by Velde on Neapolitan banking comes, for instance, after Part II, whose aim is precisely to look beyond Naples, while I would have expected the examination of the credit strategies of

Neapolitan banks after the chapter on their monetary role rather than following the discussion on their philanthropic origins. For someone who greatly enjoyed reading this book, it also ends rather abruptly, without a proper Conclusion, although all its main themes are addressed in the Preface.

Finally, a word of caution to the hasty reader. It might be tempting to take this multifaceted book simply as evidence that Neapolitan banks did everything earlier and better. If the authors, in their common endeavor, clearly undermine the notion of “Northern European exceptionalism” in monetary matters, we should not fall back into an old tradition of “Neapolitan exceptionalism” well represented in the local banking literature. For this reason, I think, the editors very wisely insisted on a comparative and transnational perspective, which, on the one hand, underlines the strengths of Neapolitan banking but, on the other, also raises the obvious question—addressed by François Velde at the end of his contribution—about the elephant in the room, namely the interaction between credit and growth. Certainly, Naples had a distinguished tradition in banking. Nonetheless, if financial historians outside Italy have forgotten Neapolitan banks so easily and for so long, being obsessed instead by the Bank of Amsterdam and the Bank of England, it is not only because of a lack of literature in English on this subject or a shared scholarly bias, as mentioned in the introduction?/above? It is also because, economically speaking, the Kingdom of Naples was neither the Netherlands of the seventeenth century nor the Great Britain of the eighteenth and nineteenth centuries.

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MISCELLANEOUS

Welfare for Markets: A Global History of Basic Income. By Anton Jäger and Daniel Zamora Vargas. Chicago, IL, and London, UK: The University of Chicago Press, 2023. Pp. 258. \$32.50, cloth. ISBN-13: 978-0-226-82368-3.
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Until relatively recently, it was possible to organize the most important publications on the Universal Basic Income (UBI) proposal into the three broad areas that Erik Olin Wright (*Envisioning Real Utopias*, London, UK, and New York, NY: Verso, 2010): its normative desirability, its technical viability, or its political feasibility. Although the question of the past and the history of this proposal have always been present, only now has the historiographical question taken hold as a space with its questions and answers.

This book is, first and foremost, a vindication of the enormous capacities of intellectual history to access the density of ideas circulating in our present. Together with the recent Peter Sloman book (*Transfer State: The Idea of a Guaranteed Income and the Politics of Redistribution in Modern Britain*, Oxford, UK: Oxford University Press, 2019) and the collective work edited by Sloman, Daniel Zamora, and Pedro Ramos Pinto (*Universal Basic Income in Historical Perspective*, Cham, Switzerland: Palgrave Macmillan, 2021), this book shows the productivity that a historiographical approach has in illuminating the experience contained in some of the proposals that organize current economic policy expectations. The book is designed to make a specific contribution to the literature on the history of social policy: the history of the shift from a preference for redistribution in kind to redistribution in cash.

Anton Jäger and Daniel Zamora Vargas, distancing themselves from a history prone to falling into the “mythological” reconstructions against which Quentin Skinner warned, opt for a social-contextual history approach in the style of Elen Meiskins Wood. Although texts and languages remain at the center, the aim is to permanently blur the boundaries between political or economic, specialist or activist texts. The intellectual history of UBI forces us to finally observe the “changing views of economic justice, social rights, state provision, markets, and political organization, refracted through a policy unique in its disrespect for ideological boundaries” (p. 10).

What Philippe Van Parijs and Jannik Vanderborght (2017) had divided into a “prehistory” and a “history” of the UBI is here marked between “mythology” and “history.” Until the interwar