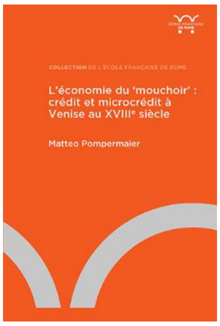
ARO
Annali
Recensioni / Reviews / Rezensionen
Online

VI, 2023/1

Matteo Pompermaier

L’économie ‘du mouchoir’ : crédit et microcrédit à Venise au XVIIIe siècle

Review by: James E. Shaw



Authors: Matteo Pompermaier
Title: L’économie ‘du mouchoir’ : crédit et microcrédit à Venise au XVIIIe siècle
Place: Roma
Publisher: École française de Rome
Year: 2021
ISBN: 9782728315017
URL: link to the title

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Citation
J.E. Shaw, review of Matteo Pompermaier, L’économie ‘du mouchoir’ : crédit et microcrédit à Venise au XVIIIe siècle, Roma, École française de Rome, 2021, in: ARO, VI, 2023, 1, URL https://aro-isig.fbk.eu/issues/2023/1/leconomie-du-mouchoir-james-e-shaw/

In this excellent, well-researched and generous book, Matteo Pompermaier demonstrates the key importance of credit available at wine shops for the social and economic life of early modern Venice. By setting this within the broader context of the credit market, he is able to demonstrate the important and unique role that wine shops played in the strategies of the Venetian popular classes.

The first part of the book focuses on Pompermaier’s main topic, the practice of lending on pledge in the city’s wine shops. Objects such as handkerchiefs, sheets, and rings could be pledged in order to borrow small sums, typically for a few days, but sometimes for longer, which were paid partly in cash and partly in the form of wine (one third of the total amount). Such loans were permitted both in the official *osterie* in the central areas of the city at Rialto and San Marco, reserved to nobles and foreign visitors, and also in the *bastioni*, shops located throughout the city’s parishes for the retail of wine to the populace. In theory, the wine purchased at the *bastioni* was not to be consumed on the premises, but in practice tables and seating were often provided for customers, and Pompermaier highlights the importance of the *bastioni* as neighbourhood centers of sociability, food and drink, and the spread of news and ideas, in addition to their function as credit institutions. The evidence indicates that Venetians drank a great deal of wine: one estimate of 1673 put annual male consumption at an average of 1.6 litres a day (p. 37), while women probably drank about half that amount. One wonders how a generalized culture of drinking, especially by men, might have impacted the budgets of the poorest households. Although the majority of customers were young men, women also played a key role in this semi-legal world, as investors, employees, and customers. There are some wonderful details here, as in the case of Daniela Bianchini (p. 61) and Orsola Donada (p. 64), two women who ran illegal bars in their homes. We also learn about the material culture of bastioni, the different rooms and the way these were furnished, which really helps to bring these spaces to life.

Turning to the topic of credit, the *bastioni* were criticized in the late eighteenth and nineteenth centuries for their exploitative lending practices, and especially because a significant proportion of each loan came in the form of wine of poor quality, the so-called «vin da pegni». One of Pompermaier's aims is to rehabilitate the *bastioni* as a key social institution for the support of the Venetian poor, which enabled households and individuals to smooth the fluctuations of an uncertain life. A key feature of his argument is that *bastioni* were able to achieve 'depth of outreach' (p. 323), i.e. to address the poorest groups of the population, solely on the basis of private capital, without requiring any state or charitable subsidy, and despite very weak regulatory control by a loose 'consortium' of operators.

Pompermaier covers a great deal of ground in his impressive quantitative analysis of the credit activities of the *bastioni*. Among the many topics covered, one key point is that when unredeemed pledges were sold at public auction, the price generally fell short of their estimated value (p. 151). Since it is unlikely that these businesses collectively operated at a loss, one possibility is that lenders deliberately overestimated the value of pledges (generally by 33-50%), in order to increase their sales and profits. It is also possible that the value of material goods may have declined over time due to their deterioration in storage, something particularly likely in the case of textiles. Be that as it may, due to the losses on auction sales, the rate at which pledges were redeemed was a key determinant of profitability. Since only just over half of pledges were redeemed in practice (p. 167), the result was a lively second-hand trade, with auctions taking place almost every day (p. 146). These practices highlight the key function of goods as a form of savings, assets that could be used to raise money as required. Despite a falling redemption rate across the eighteenth century, reflecting the growing poverty of the Venetian population, the number of loans made on pledge continued to expand, but reached a crisis point in the 1790s due to the uncertain political outlook.

In the second half of the book, the treatment is necessarily more cursory, relying more heavily on surveys of the secondary literature. Nevertheless, in each chapter, important substantial contributions are made using the primary sources: for example Chapter 9 on the role of notaries in arranging mortgage loans (which in Venice took the form of *livelli*) includes a case study analysis of the loans mediated by the Venetian notary Alvise Bergantini, active in the early eighteenth century. Similarly, Chapter 7 on Jewish pawnbanks includes analysis of one of the few remaining loan registers of the late eighteenth century. Venice did not have its own *monte di pietà*, preferring to rely on Jewish moneylending, and this opened up opportunities for intermediaries, as shown in the discussion in Chapter 8 of a consortium of *pegnaroli*, who arranged loans in Venice and transported the pledges to the nearby *monte di pietà* of Treviso. Pompermaier also considers the informal credit market, in Chapter 6 using evidence from the Venetian magistracy of the *signori di notte al civil* to show the kinds of high interest loans that might be procured by those needing more flexible conditions and larger sums of money than were available via the protected channels of credit for the poor. Here I do feel, however, that Pompermaier is too hasty in dismissing the potential of the Piovego (pp. 213, 226) for evidence on the prosecution of excessive interest rates.

By bringing the two parts of the book together, Pompermaier's aim is to situate the *bastioni* in the broader context of credit market. In the final chapter, he considers the different sources of credit in a comparative perspective. The chapter uses extended discussion of a single case of informal lending from the *signori di notte al civil* to hypothesize about the cost of this relative to the alternatives. I found this slightly misleading in its implication of a model of informed borrowers rationally weighing up the costs and benefits of alternatives, and felt that Pompermaier might have emphasized more strongly the ways in which actors' choices were limited by lack of information and relied in practice on established ways of doing things. Indeed, one of the key contributions of this impressive book is to demonstrate the highly segmented nature of Venetian credit markets, each of which catered to specific types of demand, limiting the role of choice. This was of course also true of other contexts – in nineteenth-century London, we might contrast the elite world of mortgages and bills of exchange to the pawnbrokers and 'bottle shops' described by Henry Mayhew.

Overall, this is a very rich and rewarding volume based on extensive and rigorous archival research, which covers an immense amount of ground in its ambition to situate the wine shop credit in a comprehensive picture of the Venetian early modern credit market.