



# FOR OTHER ECONOMIES

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## Introduction

For quite some time now, scholars have been trying to redefine categories, concepts, and terms connected to the functioning of the capitalist world, such as the category of economic rationalism, and it also has been a while now since arguments defending the necessity of reorienting the ongoing processes have emerged. The attempts to reflect on the relationship between economy and ethics are not new either, and, for the point of view that concerns me, a particular date is crucial as a revival point of such discussion: 1974 (*L'etica economica medievale*, a cura di O.Capitani, Bologna, il Mulino, 1974). These are complicated questions that I judge to be far beyond my reach. A historian dedicated to the Middle Ages, such as myself, can only partially aspire to reflect on practices and concepts that base the established economic rationality of our modern capitalist system. How these notions have affirmed themselves? What concept of individual and of their activities such rationality evokes? To what definitions of time and money does it refer? In what environment has it been forged? Is it possible to identify the specific period and domain that originated some sort of new anthropology? I would like to try answering some of these questions stressing, as many have done, the need of a new reflection, inspired by the acknowledgment of a serious matter: the inequality of wealth distribution in different parts of the world, amongst different people. An inequality whose unjust effects can be perceived even by the less attentive: in the environment, in society and in families. Could more laws produce less injustice and more balance? Are truly shared principles the solution? Awareness of the matter is certainly useful, and, perhaps, so could be understanding how things actually happened (“Wie es eigentlich gewesen”: the proper task of a historian. Leopold von Ranke), what paths were chosen and if any other was available.

Therefore, one can start with History, which, as written by Ivan Illich (*Nello specchio del passato*, Como, Red, 1992), stresses the sensibility and the attention towards the choices made, and the positions taken that transformed into our present. For History, the present is the futures' past and by getting back to the past, I would like to analyse how the process of conceptual and rational definition of economic practices took shape by the end of the Middle Ages, during the first important phase of the pre-industrial

cycle (11<sup>th</sup> to 13<sup>th</sup> centuries). I wish to highlight how the thoughts of theologians, jurists or treatisers have inspired, or even only followed, some of the options taken. We shall now go through some part of the path that determined our present. Between the 11<sup>th</sup> and the 15<sup>th</sup> centuries, significant transformations in the economic and social spheres took place while reflections and discussions regarding the value of labour, time, money, and, more generally, wealth and poverty have matured, both which provided the basis for the modern economic science. It has been spoken of a “long 13<sup>th</sup> century” as a joyful period from 1160 to approximately 1340 (J. Le Goff, *Lo sterco del diavolo: il denaro nel Medioevo*, Roma- Bari, Laterza, 2010). The main banking, financial and credit instruments still in use were invented in this period, from bank accounts to letters of credit, and, in order to respond to ethical standards and economic needs, deep reflections regarding the economy and its practices have been produced. Hence, it is in this particular era that one can place a transition phase (“Sattelzeit” to reference Reinhart Koselleck’s terminology), in which processes began, whose success could not have been initially taken for granted.

Between 1050 and 1250, some sort of “economic revolution” took place, that, though pervaded with regional varieties, interested the entire Europe (Luciano Palermo, *La banca e il credito nel Medioevo*, Milano, Bruno Mondadori, 2008), and the 13<sup>th</sup> century also stands out for its theoretic production in economic matters. From the 14<sup>th</sup> century on, economists have spoken of a tendency reversion (often they use terms such as crisis or stagnation), even though productive and exchange structures in the Italian peninsula seem to have grown substantially during the 15<sup>th</sup> century. In fact, the strong economic expansion that lasted until the final decades of the 13<sup>th</sup> century was closely associated with the flourishing of juridical and theological reflections. Their aim was to assemble the peculiarities of various experiences (creating then a broad and rich collection of cases) and to define rules designed to establish equality in exchanges (exchanges of goods, exchanging of money for merchandise or of labour for retribution), from a collective perspective that tended to privilege the common good. It became essential to establish an equal relationship amongst money, merchandise, and time that transcended the enduring condemnation of usury (O. Capitani, *L'etica economica: considerazioni e riconsiderazioni di un vecchio studioso in Italia 1350-1450: tra crisi, trasformazioni e sviluppo*, Pistoia, 1993), an idea which gained a specific definition, if not a complete readjustment.

Between the 12<sup>th</sup> and 13<sup>th</sup> centuries, a renewed interest for the study of Roman law encouraged jurists to discuss vividly, for example, about the “*laesio enormis*”, terms used to define a lack of equality in contracts if the selling prices were far from half of what was considered a just price. The question was then establishing the base elements to calculate the just price, a no simple task to which jurists and theologians, from Azo of Bologna (1150ca – 1225ca) to Thomas Aquinas (1225 – 1274), committed their reflections. In the 13<sup>th</sup> century, a Provençal friar, Peter John Olivi (1248ca – 1298), applied (and it was the first time) the term “capital” to indicate a special sort of money, imbued with a specific “seminal” ability to generate, with time, more money. The subject of capital as money gifted of a special value was re-explored in the 15<sup>th</sup> century by Bernardino of Siena (1380 – 1444) (Paolo Evangelisti, *Il pensiero economico nel Medioevo: ricchezza, povertà, mercato e moneta*, Roma, Carocci 2016, p. 153), relevant thinker and preacher capable of influencing the masses. In both cases, and not only on those, the idea that the time of money is not a time common to everyone (as belonging to God, hence, to everyone), but instead, it is a time owned by single individuals who dispose of it for multiple uses, appears to be clear. Likewise, the jurist Baldus de Ubaldis (1327–1400) considered currency to be more than a simple exchange mediator, treating it as ‘capital’ able to produce advantages thanks to the use one could make of money between the moment an obligation was contracted and the time it ceased (Oscar Nuccio, *Falsi e luoghi comuni della storia: l’equazione etica protestante-spirito del capitalismo*, Arezzo, Alberti, 2000, p.185). Therefore, there is a “profiting time” used by economic operators in their commercial transactions, which gives meaning to economic actions and produces profit. These reflections, created by refined and well-prepared intellectuals, have become common doctrine and diffused themselves as economic transactions intensified. The widespread of such ideas also owes a great deal to those who were capable of communicating to the masses, through preaching, part of the outcome achieved by theological and juridical thinking. Authors of confessional books and, chiefly, preachers reduced the distance between the intellectual masters and those engaged daily in the economic field, or who, at least, partook of such activities and had only a notion of these ideas.

It is during the Late Middle Ages (XI – XV centuries), a period to which I intend to dedicate particular attention, that one can find substantial efforts to define what

was licit or not in the different areas of economic operations. It dates back to these centuries both the construction of a technical lexicon of “ethics and economy”, and the beginning of a formal process that constituted a form of rationalization. This last one, set the grounds for modern developments and have followed closely processes of intense commercial and productive growth, which, in their turn, have determined a general, or almost, progress, wealth (of few) and well-being (of more people), but also enormous disparities. These disparities, were later enhanced during the Modern Era, as a substantially impersonal point of view prevailed over the interpersonal vision applied in the last centuries of the Middle Ages. Such triumph came to be known as the time of civic humanism.

Exploring different sources, we can now reconstruct lines of thought encouraging an active life instead of one filled with idleness; reflections motivating the fruitful circulation of wealth instead of its greedy accumulation; reasoning on the right measure to apply on different situations; and finally, recommendations of prudence as a norm of behaviour. By comparing and cross-referencing these ideas, one can determine the economic ethic developed in different environments and applied in the Late Middle Ages. Many reflections on the economic value of time, on credit understood as a financial operation of investment, and on the lucrative potentiality of money were produced by members of the Franciscan order (Scoto, Alessandro Lombardo or Francesco da Empoli). Due to the existence of such reflections, one can find arguments of a “Franciscan Anthropology” (Capitani, *Letica economica: considerazioni e riconsiderazioni*, p.483) more available to embrace and guide a “new economical ethic” of the Christian society. As a matter of fact, many jurists, treatisers and scholars have spoken about these arguments, but in the last few years, historiography has strongly valued the contribution, in terms of lexicon and economic concepts, given by new Orders and, in particular, by the Franciscan Order to the matter. It happens quite often that those who study a specific line of thought end up giving it extreme importance to the detriment of other fields. Doubtless, however, the Order of Saint Francis already from the time of its own founder has dedicated great attention to the argument of poverty and wealth. Francis’ public demonstration of abandoning his fortune and many of his other clamorous gestures were designed to spread the message that wealth was not good or evil in itself, but that it all depended on the use one made of it. Wealth could be a positive element if used

for the common good (the interpersonal point of view mentioned above). Francis living in poverty created an instrument to study wealth, provided material for reflections on superfluity and need, and highlighted the creational value, not equal to that of consumegoods, of things apparently useless, such as the chirping of crickets. He has also exulted through a sublime preach in the highest of lyrics (his only work in vulgar, gem of the newly born literature) the beauty and preciousness of the air, the water, and the fire, elements that had no monetary price. Francis represented a scandal that impressed and enchanted the world, and 40 years after his death, Franciscans started to write economy texts (Giacomo Todeschini, *Ricchezza francescana: dalla povertà volontaria alla società di mercato*, Bologna, il Mulino, 2004). That is also part of the Middle Ages, and this explains the allure felt by a certain historiography for the “economic thought” of Francis and the Franciscans.

In the same century in which Francis threw, even if only metaphorically, out of the window coins or precious fabrics accumulated for the benefit of a single instead of functioning for the common good, a Jurist, such as Albertano da Brescia (late 12<sup>th</sup> – first half of the 13<sup>th</sup> century) valued the role of culture. He argued that restraint and prudence were key elements for achieving a necessary balance of behaviours and desires, required to obtain and safeguard the common good. In the dialogue “consolationis et consilii”, Albertano presents a woman, Prudence, whose husband has chosen to listen to her (not a secondary element). Through the dialogue, the jurist develops the theme of prudent behaviour, treating it as a rational conduct sustained in order to achieve a specific goal. The woman’s intervention in the narrative regards the properness of means relative to the ends, centuries before Machiavelli. The principle affirmed is relative to the economic rationality to be applied once judged the goodness of an act that one intends to pursue. Albertano theorizes that a rational man seeks to obtain the maximum of satisfaction by applying his means in the most rational way possible for him. Prudence sustains that a rational act is the one that achieves its goal, and Prudence teaches to adapt the means to the ends in every circumstance. Prudence also plays a part in measuring the goodness of acts and in refuting revenge, an argument central in the dialogue, for matters of “calculation.” Vengeance involves risks and high costs, while concord has an ethical value but also an economic one. One must remember that in the 14<sup>th</sup> century, Ambrogio Lorenzetti painted on the walls of Siena’s City

hall the consequences of good and bad government, using vast references to the social and economic utility of concord. Albertano's pragmatic and utilitarian position is one component of that humanist economic rationalism matured in the end of the Middle Ages. It was then that a transformation of the concept of time took place, not only on the practice of merchants, who speculated or, perhaps it would be better to say, brought sustenance and advantage from the passing of time, but also on the considerations of theologians and treatisers. Jurists, theologians and canonists, they have all done it, on a period of great economic expansion, applying themselves to the examination of some contracts, such as the "venditio ad terminum", agreements of acquisitions with a delayed payment of the merchandise. In theory, such postponed payment should not have implied in the augment of the price (between acquisition and payment only time passes, which belongs to God) but in practice, that is what often happened. Was this increase in price a case of usury? Conciliar dispositions, papal bulls and many moralists, from Robert of Courçon to Egidio of Lessines treated the question of 'forward contracts'. In fact, during the 13<sup>th</sup> century, some forms of legitimate increased restitutions were defined, from the "damnum emergens" to the "lucrum cessans". The chance of a lender incurring in damage while waiting for the restitution of his loan, the eventuality of missing good business opportunities, as well as the risk of not receiving his payment, ended up rendering acceptable the practice of increased restitution in cases of money loans. The subject obviously comes quite close to the question of usury, defined as "voracissimam bestiam" in canon law, but it takes a different path. In this occasion, it suffices to say that a common good such as time ended up becoming the object of economic transactions that produced wealth. Time, by passing, does not add value to things (in general lines, with due exceptions), but contributes to change their value. A no longer divine, but natural conception of time produced the acknowledgment that natural conditions affect the value of things through the course of time. If in a moment X, a high production of grain determined a strong offer of this product, establishing the price of grain in Z, such price would have been different and much higher on another time, Y, in which the offer of grain was limited and the demand, instead, higher: that is what argued Egidio of Lessins. The author, however, did not consider any sort of increased restitution legitimate, but only those estimated between the minimum and maximum value of the just price. This last theme would re-



quire further exploration through Thomas Aquinas' contribution, according to whom a price could change "secundum diversitatem locis vel temporis": in other words, it was subject to market conditions. Attributing value to time was a necessary condition to sustain the activities of merchants, not obstructing their activities, avoiding damages and recognising their social and economic contribution to the community. Peter John Olivi marks the acknowledgement of the existence of a economic time convertible in money by the moralists:

*"Parlare della vendita a termine e del profitto ricavabile da un ritardo di pagamento o di consegna significa ...parlare esclusivamente di tempo commerciale e per ciò stesso commerciabile. Il tempo nel quale io dispongo o meno di una somma è mio, tuo: è alienabile, retribuibile, commerciabile. Esso diviene la condizione a disposizione dell'operatore economico per svolgere le proprie mansioni e conseguirne un lucro, senza il quale verrebbe meno la stessa finalità significante dell'agire economico".*

On this specific theme, I would like to rest: in front of the conveyance of a transformed time to us, modern people. One that was once a time of common good and became a time subject to the rules of market. Today, time is by most considered a luxury, and by others deprived of any other valuables, a useless possession, all in a dramatic and little governed disproportion.

Therefore, it is in the Middle Ages, a period that some continue to consider dark, "static, unison and compact", notably in the 13<sup>th</sup> century, that time gains a decisive value in economic transactions, overcoming its own conception as good of divine property, thus common good, such as water and air, and becomes an object of commercial negotiation. It is still on the 13<sup>th</sup> century that one perceives the transition from a concept of money as a common object present in society and, belonging (at least in theory) to all, to a notion that differs between common money and institutional money (that owned by churches, monasteries but also by the *comuni*) and merchant money (this last one defined, as already mentioned, as 'capital'). Institutional money and that of merchants was diverse, it was special. While an anonymous citizen would be considered a usurer if he lent his money for interest, institutions, particularly Christian ones, on the contrary, as collective and civic subjects could sell their rights on their

money. Likewise, merchants who acted on the benefit of the whole community, other than, of course, their own, could ask for “interest”. They used money dedicated to commerce and as such imbued with seeding properties, therefore, their interest was justified by their own “peritia”, “sollicitudo”, and definitely by the advantages merchant activities brought to the “*communitas civilis*”. What became then legitimate was the personal profit of those who tried to pursue the collective good, of who was assigned to do so, and thus, cherished of good fame, and finally, of who discovered in the relationship with the community an a limit and an aim.

We have stressed some elements that characterized the medieval process of rationalization of the economic life. Such phenomenon matured in a Christian environment also thanks to laic contribution, and to me, it seems possible to sustain four main theses:

The Middle Ages was far from being a dark and motionless period.

The rationalization of economic life is not a product of Protestantism.

Sources from the period clearly state that market and merchants relished of a positive view only in relationship to the entire community. It is the well-being of this last one that justifies the transformation of collective time in an individual time, and, on its turn, of collective money into money of special seeding properties.

The concepts of restraint, limit, prudence and measure are central both in determining the value of time and in assessing a merchants’ profit.

Therefore, by revisiting theoretical positions developed in various environments during the late middle ages, one can distinguish some crucial questions and re-discuss the well-known hypothesis presented by Max Weber regarding the role of Protestantism in the development of Capitalism (Protestantism would have facilitated the birth of the capitalist spirit). Debating the Weberian thesis does not mean trying to substitute the Protestantism for the Christianity as the promoting element of Capitalism. It means, instead, an effort to argue that it was not in the 16th century nor with Calvin that a way of thinking that justifies the pursuit for economic benefits was born. Many centuries before him, a lexicon and a conceptual system that followed and sustained rational dedication in the economic field – with individual but also collective benefits – were forged. This has determined the growth of a certain autonomy between the ethic and economic spheres, but not their complete separation. Theologians,

preachers, jurists and treatisers have pondered on specific contracts, on the fruitless accumulation of wealth (Thomas sustained that God had not forbidden “l'utilidade, ma la troppa volontade e troppa appositione dicurore”, Nuccio, *Falsi e luoghi comuni*, p.47), on idleness and on activism. On their thoughts, the collective convenience was the principle and the objective to which actions should mould themselves (without, nonetheless, denying personal advantage when moderate). That is what one can understand by exploring Franciscan treaties as well as the secular thoughts of jurists, by reading both the writings of *Coluccio Salutati*, who sustained that dedicating oneself honestly to honest activities could be something more sacred than living in lonely idleness, and of Leon Battista Alberti, who exhorted his readers to a rational use of time, an important factor to obtain and enjoy wealth (Nuccio, *Falsi e luoghi comuni*, pp. 51–55).

Looking back to the Middle Ages help us to move forward in acquiring and increasing our understanding of what happened in Europe, and particularly in Italy, between the 13<sup>th</sup> and 14<sup>th</sup> centuries, on a concrete-real level, but also on the sphere of concrete thought (Althusser). Reflections on the relationship between economic growth and respect of the rules (ethic norms, but not only) and between individual profit and collective good have contributed to raise the awareness of the necessity of promoting an economic development, which respected, as much as one could, the common good and the dignity of people. Such thoughts and discussions have contributed to put in practice principles consolidated in laic and religious environments. The transition from theory to practice took place when urban realities tried to face and solve concrete problems, from dealing with small credit to imposing restraints in luxury exhibitions, which threatened to immobilize substantial capital and blur important and vital social distinctions. These two spheres of urban action just mentioned represent two good points of departure to verify the capacities and practicalities of the matured theoretical positions. The examination field chosen is that of the concrete politics created by city authorities to guide economic phenomena and social processes, which tried to conciliate justice and development, individual profit and common good. The challenge for urban governments was to present and render acceptable rules that did not obstruct the ongoing economic development, and that did not sacrifice individual ambitions and needs, without losing sight of the political scenario in place and the common good. Between the 13<sup>th</sup> and 15<sup>th</sup> centuries, communal cities have undoubtedly accomplished

a great inventive effort; so much that some politics and institutions then created seem to be still vital. That is the case, for example, of microcredit, which has drawn much attention in the last few years and is but a variable of the solidaristic credit exercised in the Late Middle Ages by the Mounts of piety. An alternative conceived more than 500 years ago and posteriorly discarded or transformed on secondary, that was presented in the last few years as an innovation, as an unconventional form of credit of strong social value, and as an attempt to conciliate social demands and need for credit. Much of what seems to be new is, in fact, something we have simple forgotten.

The concrete cases regarding small credit regulation and luxury control that we shall take into consideration here represent true inventions, original conceptions pragmatically designed to produce precise effects in terms of governmentality and urban well fare. The flexibility and rationality that one can gather from the positions of theologians, jurists and treatisers find also expression in the communal statutes, called forth to shape life in community. In daily reality (and respective regulation), the acknowledgement that money was multifunctional, being used for economic activities but also to avoid disgraceful social displacements, as well as the recognition of a necessary restraint of luxury became concrete policies, in institutions and in precise, but not inflexible, behavioural indications. The statutes are a place in which a political project and a specific culture transforms into norms to dictate, control and standardize the behaviour of citizens. It was often necessary to accompany the creation of statutes with initiatives to inform and to generate awareness. In this domain, the action of preachers was quite convenient, especially since it was previously agreed upon and even requested by city authorities. They prepared the masses for receiving the legislation, or at least some aspects of it, and instructed people on the existence of these norms beyond the abilities of town criers to diffuse them. Communication, in other words, the action of predictors, was precious, and I would say indispensable, especially in cases of new legislation or new institutions. In many instances, their efforts were designed to support authorities, in others, the assertive role of predictors was much more evident. Sometimes their opinions even diverged from those of the government.

From the 13<sup>th</sup> century on, almost every city created their own Statutes, in other words, their own *corpora* of laws that regulated every aspect of citizen life, individually and collectively. Practically every Statute completely dedicated one of their different

sections to the control of appearances and the regulation of luxury. It was a sector of interventions designed to obtain results regarding the political sphere, but also the social and economic fields. These norms indicated who could wear what, specifying the length of trails, the width of sleeves and even the number and weight of buttons. Therefore, these predicaments were almost all indications of measurement. Authorities were interested in matching the exhibition of luxurious dressing to the city political structure, preventing, consequently, those who were politically defeated to display luxurious objects. More generally, they were interested in distinguishing who belonged to each and every social condition. To this political purpose, followed others of different nature: reduce the import of precious objects to sustain local economy, but also, avoid excessive expenses, which risked limiting marriages and preventing other productive forms of investment or of destination for the money of wealthy citizens. Probably, the main intention of authorities was to fix and maintain hierarchy, easing their efforts to keep different groups under control. A fiscal purpose was, however, also important, constituted mainly by the collection of fines imposed to those who did not respect the law, which, sometimes, seemed to have been produced to render impossible for someone to follow it. This last consideration make us think on the existence of a precise wish to tax luxurious goods in order to obtain more money for the commune. All these coins served to face public expenses and also to sustain the less fortunate, allocating some of these fines to Hospitals or Mounts of Piety.

Behind the production of sumptuary laws, that continued to be promulgated until the 18<sup>th</sup> century, there were some principles: the struggle against excessiveness and, therefore, an invitation to restraint, but also, the need to insert individual and collective vanity in a scenario attentive to the common good, specifically constituted in terms of governability. The law, in fact, conceded to each social category, even if low, the right to display ribbons, silk or other ornaments, not “ad libitum” though, but rather respecting the order and the hierarchy that characterized the collectivity, composed of multiple and non-equal components. Different governments in various cities have deemed useful, and therefore, re-proposed regularly for centuries, this norm system, which tried to converge individual or party interests with collective ones in commonly sharing the concept and practice of restraint. Rod in hand, officers in charge of inspecting the population approached, or searched to, women who they suspected to display a trail longer

than the allowed in order to measure this “cauda”, tail. If its size exceeded the permitted, these women should pay a fine, and in this way, the resources of the vainglorious wealthy went to the benefit of the community. This is what one can learn by examining the sumptuary laws, preceded and accompanied in many cases of predications, which, alongside treaties on the subject, produced by laic and religious authors, contributed or, at least tried to, create a measuring culture. These regulations were an element that characterized practically every urban statute, a particular trait of the mentality and of the government forms in force in the period, which, as already said, did not aim to achieve equality, but instead, a justified difference, governed through measurements and limits useful to avoid disparities judged to be excessive. Obviously, that does not mean that inequalities were really governed and acceptable according to our criteria of modern men, but it attests a collective effort, of laics and churchmen, jurists, treatisers and preachers, designed to control excessiveness and to create a critic of consumption. Preachers played their part inviting the masses to reflect on the dangers of vanity and on the origins of the wealth invested in splendid clothes or in sumptuous headgear:

*“D’onde viene questa robba, d’onde vengono questi vestiri, di che è fatta la sua dota. Peròche molte volte, e il più delle volte, è fatta di robbaria, d’usure e del sudore ‘contadini e del sangue delle vedove...”* (Bernardino da Siena, *Prediche volgari sul Campo di Siena*. 1427, edit. C. Delcorno, Milano, Rusconi, 1989, *predica XXVII*, p. 1077)

The point raised to the masses by Bernardino of Siena in 1427 remain a formidable and still valid question to this day. Much further from our sensibilities and culture seem to be, instead, the positions assumed by ecclesiastics contrary to any display of mundane taste and to any form of pleasure. The fact that to govern one must communicate and persuade was valid then and it is still valid today, and moralists developed an important function of functional awareness of the statutory legislation.

A different case that express, instead, tension, and if not a true and proper conflict, between those responsible for the urban government and moralists, in particular, preachers from the Franciscan Observance, regard the small pawn credit. Cities, of small and medium dimensions specially, suffered during the 13<sup>th</sup> century – the same

period of the statutory invention and of the beginning of luxury regulation politics – from the scarcity of fluid money. The little fluid money available used to be invested in the activities of different corporations or in trade. Those who lent it, obviously for interest, were not appreciated due to a diffused theoretical aversion to usury, which did not prevent those who had some money to offer it for profit, but in a hidden manner, and therefore, in non-official and incontrollable conditions. That was the reality of the situation. For the need of relevant sums, one could appeal to exchangers and merchant-banker, but for small loans dedicated to consumption, a solution still needed to be found.

The historiography takes for granted the solution found by authorities to call Jewish bankers responsible for giving small loans. In fact, this was a brave and rational idea that proved to be fruitful for a long period. The case is particularly interesting because it marks a strong distance and autonomy of the lay thought and of the civic authorities' project from the position of Churchmen. This proves how much the "dark" Middle Ages were everything but monolithic. On this matter, I would like to think of a Middle Ages of innovation and pragmatism.

A certain number of Hebrews who lived in Italy (expelled from England in 1290, from France in 1306 and in 1394, and also from Germany) possessed liquid capitals hard to invest in economic and commercial activities since it was required to be Christian to enrol in any sort of corporation. Governors had the idea to propose to Hebrews who had capital to open banks of pawn credit, endorsed officially with specific "guidelines", designed, in their turn, to norm all aspects of the operation and of the tolerance regarding Hebrew specificities. A quite interesting exchange: authorities trusted a relevant part of the urban economy, the sector of pawn credit, to

Hebrews, who accepted the conditions imposed on their loans and, in exchange, received acceptance, with all their rites and uses, from the Christian majority. What else could this be if not economic rationality!!

From the second half of the 13<sup>th</sup> century on, Hebrew bankers operated in practically every Italian city, covering the entire peninsula with a web of banks, working in an efficient and satisfying way. The most developed cities, strong in their capacity to solve the problem more easily, adopted this instrument much later. Bologna, for example, summoned Hebrews much later, thanks to the international character gained by the city

through its University. Such institution allowed the Bolognese to cherish of a money exchange-loan system developed by the corporation of Exchangers-Bankers. On the second half of the 14th century, nonetheless, Bologna negotiated with Hebrew lenders and after only a few decades, almost a dozen Hebrew banks already operated in town.

Bankers lent money on established conditions, namely, asking for 20-30% of interest as long as one could present a pledge that valued at least 1/3 more than the amount received from the bank. This situation brought in “light what was once in darkness”, in other words, diffused a practice and a culture of official pawn credit loans, which probably did not please those who previously lent money furtively and in uncontrollable conditions. It must be highlighted that this sector of the credit field was in the hands of Hebrews in practically the entire Italy, that is, in the hands of those who were not Christians in a period that many still sustain the religious dimension was overwhelming, or almost. Evidently it was not.

I do not believe that those who benefitted from the services of such banks had in mind the explanation given by theologians of the phenomenon. This one sounded just like this: On Deuteronomy, one of the 5 books of the Ancient Testament which Christians and Hebrews have in common, one reads that it is possible to loan with interest to foreigners, but not to siblings. Once Hebrews did not recognise Christ and the Gospel, for Christians they are not siblings, and therefore, Hebrews can loan with interest to Christians according to what said in the Ancient Testament. I think clients went through the doors of Hebrew banks filled with trust, knowing they were using a private service promoted and hired by the city government. I do not believe people asked themselves so much about the Ancient or the New Testament. Whoever was in need, pragmatic and rationally, searched for those who lent money officially in, most likely, better conditions than the ones offered by clandestine Christian money lenders.

In this ambit, an interesting fact happens when, after almost two centuries of experience with Hebrew banks, the Minor Observants, recalling an idea that circled in laic environments, proposed in the second half of the 15th century a sort of Christian bank of solidaristic credit to which they have given the name of Mount of Piety (M.G.Muzzarelli, *Il denaro e la salvezza. L'invenzione del Monte di Pietà*, Bologna, il Mulino, 2001). In order to provide this institution with the necessary capital, the Minor Observants dedicated themselves to gather money that would not be reimbursed,



since it was donated from private individuals or assigned by civic authorities, or even only deposited. The assembled money was latter put at the disposal of the “poor less poor”, in order words, people who needed consumption credit and, therefore, were poor, but not the poorest. Such money should be repaid without interest, or with a very low one, which corresponded in reality to the expense reimbursement (5%). Sustaining the “poor less poor” in this manner was convenient for city authorities, instead of letting them fall in disgrace for latter having to aid them with alms. These were people that risked worsening their own situation if they searched for private banks, where one had to pay an interest, which, even though was agreed upon and of market, was far beyond their financial possibilities. Urban authorities, such as those of Siena, debated themselves on how to face such a problem, and even though they were able to identify it clearly, they did not know how to proceed. Something the Minor Observants actually managed to do. These friars, thanks to their efficient communication efforts, convinced citizens of the goodness of the enterprise and dozens of Mounts of Piety were born. The positive fact, expression of that rationalization which one has already mentioned plenty of times, is that pawn loans (a specific loan, to certain people and in certain conditions) were considered more as a form of *welfare* than a charity work. The Mounts marked a concrete connection between economical demands and ethical principles. They appeared as an original effort to redistribute part of the urban wealth, gathered and put at the disposal of the less fortunate. The Mounts are the demonstration of the possibility to loan money christianly with the reimbursement of the expenses in order to sustain categories capable of repaying what asked and of getting out of the state of need if adequately helped. The discussion generated by the request of expense reimbursement, understood by some as usury, allowed the progress of the rational process on course. However, the Minor Observants, in order to motivate people to sustain the Mounts, have attacked Hebrew loans and these critics, in some cases, ended-up drawing apart bankers and ceasing the useful cooperation on the credit field of Christians and Hebrews: a step back in the ongoing process of rationalization. A step back also in terms of the city’s economic development, since the Mounts, which could only lend money, according to the statutes, to the “poor less poor”, would not have been able to receive the requests from other client segments, abandoning them to a non-regulated market.

In many cities, the relationship with Hebrews continued even after the creation of the Mount. At Bologna, the Mount closed after a small period of operations without even a sign of

turmoil and Hebrew banks continued their activities undisturbed. Therefore, the reasoning of urban authorities could be different, and effectively was in many cases, from the logic followed by ecclesiastical thinkers, demonstrating the existence of a plurality of positions, not all ascribable to those of the Church, and hence, conditioned by this institution. Cities made their own choices in a laic manner, but in areas under the direct domain of the Pontifical State, the space conceded to Hebrews became increasingly restricted during the 16th century, first century of the Modern Era, until their definite expulsion in 1593. The Mounts continued to operate and expanded their area of action without, however, having ever had the full support and energy of local and central authorities on their project.

The Middle Ages delivered to the first modernity an immense effort of rationalization of economic activities, accompanied by an intense attempt to follow the common good in a not impersonal but interpersonal point of view. This at least in theory. The reflections on collective goods such as time, the distinctions introduced on different types of money, the attempts of redistributing wealth and the rearrangement of the small credit to the field of welfare, supported by the entire community, are demonstrations of the will in medieval society, both from religious and laic environments, of amalgamating economic demands with ethic principles, of harmonizing individual desires and tensions with the general benefit. It was an effort to accommodate and join non-egoistic practices, but not to encourage monetary earning as a form of individual salvation (just like the Protestantism that saw in the economic success a sign, if not a guarantee, of salvation). The advantage searched by the medieval thinkers we have mentioned so far was to be realized on this earth (even if not only) but with moderation and in an equalitarian point of view. The positions assumed between the 13<sup>th</sup> and the 15<sup>th</sup> centuries by men from different environments, such as Albertano, Peter John Olivi or Coluccio Salutati, valued men, their wit and their economic activities – if this last one also worked for the collective good – when imbued with restraint and prudence: in this sense one can talk in general terms of civic humanism. The urban politics here briefly mentioned seemed to be in harmony with such principles. These have searched

to use the communicative work developed by preachers, manifesting the acknowledgment of the importance of collective sharing and the strength of the rules (those of the Statutes). Such norms have also known how to keep together men of different faith, which the golden Modern Age have separated, driven apart and eliminated.

It is difficult to draw conclusions from what said until now. The economic rationalization process that began in Italy, but not only in Italy, in religious and laic environments, in the last centuries of the Middle Ages, promised outcomes that we would never be able to witness. The repositioning of the political and economic axis to the countries in northern Europe and the positions assumed by the Catholic Church in Italy, and by the Protestant in the north of Europe prevented them. A walked path was interrupted, another one was elected, and only the course in which we actually travelled can be the object of historic reflection. The rest is not history; it is not the past of our present, but only a possibility, nothing more than a possibility. Perhaps, however, we could restart from there.

