

Railways and the Formation of the Italian State in the Nineteenth Century.



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unemployed Poles to Germany); then the use of conscripted workers from occupied western Europe in the arms build-up before the invasion of the Soviet Union; and—above all—after June 1941 the availability of the massive human resources of the occupied territories in the east at the same time as more and more German industrial workers were subject to military conscription. Herbert skilfully depicts the tensions between different parts of the Nazi terror apparatus: businesses trying to keep up output and profits, technocrats concerned with production, ideologues who wanted to build a 'new Europe', and racial ideologues who wanted to separate out and destroy through work and otherwise those whom they deemed 'sub-humans'. He uses case studies to show how different circumstances and different managerial ideologies could produce very substantial contrasts between firms in their treatment of foreign workers.

The book also shows very successfully, through a detailed social history, how this issue came to be a major area of confrontation between ideology and social practice: four-fifths of arrests by the Gestapo in the summer of 1942 concerned cases dealing with foreign workers. An economic historian would want more of the case studies dealing with the costs and gains from slave labour: what emerges from the picture is that generalizations about efficiency are very difficult to make. In some cases the extent of the inhuman treatment made low-paid slave labour a very costly choice for enterprise; in other examples, given some improvement in treatment, productivity could rise quickly. Herbert's argument tries to show how this kind of choice depended on a wide variety of circumstances—above all, on the balance between supply and demand. When the labour supply was ample, the inhuman ideology of the regime ensured that labour was wasted and destroyed. The book thus provides a terrifying case of the consequences of economic calculations interacting with destructive political ideas.

Princeton University

HAROLD JAMES

Albert Schram, *Railways and the formation of the Italian state in the nineteenth century* (Cambridge: Cambridge University Press, 1997. Pp. xvi + 180. 7 figs, 32 tabs. 4 maps. £35; \$59.95)

In this pithy volume, Schram explores the political and economic history of Italian railways. An economic historian at the Universidad de Costa Rica who trained at the European University Institute, Schram asks how the state shaped the railways and the railways the state, and how the economy shaped the railways and the railways the economy. In the process, he draws wider conclusions about development in Europe and North America.

Railways serve as a lens through which Schram views Italian development during the nineteenth century. They were first chartered by Italy's separate states and, with political unification, became part of a national network from the 1860s. Schram suggests that Italy's railways faced political difficulties that made it hard for them to succeed. First, unification itself posed problems when railways established under very different charters were expected to coordinate activities in a single network. Secondly, after unification the state wavered in its vision of the future, particularly regarding public or private ownership. The early decision to leave railways in private hands was subverted when governments failed to make good on promised subsidies, with the result that large parts of the system fell into the hands of the state. Schram makes a compelling case that the inconsistency of public policy stalled railway development. Would Italy's railways have become a source of prosperity and pride if policy had been more stable? He notes that Italy's relative underdevelopment, particularly in the south, was a

contributory factor, and rightly points out that it is not easy to determine how much of the history of Italian railways is explained by politics and how much by economics.

Another theme is the role of the railways in the economic and political unification of Italy. By comparing regional data from Italy with data from elsewhere in Europe, Schram concludes that the consequences of Italy's rail policies included a general underdevelopment in railways and a significant unevenness of development between north and south before 1885. For most of the period, only Spain had worse rail facilities than Italy. In consequence, railways could not do what many had hoped they would do—bring about political and cultural integration of Italy's different regions by increasing communication and produce economic integration by increasing trade and by homogenizing income levels across regions. Finally, Schram turns to the issue of railway traffic, within regions, between regions, and across borders. The nature of the rail system and of regulation prevented the full development of rail traffic and hence of trade, he contends. From the 1860s, when Italy was politically unified and when the regional railways were connected, Italy's six principal railway companies rarely cooperated with one another, and the state did little to facilitate cooperation. This made the coordination of inter-regional traffic difficult and slowed the growth of trade. Because the state set rail rates, railways were not able to compete with other modes of transport, particularly water transport, and hence were not in a position to build the kind of market they might have done. In the underdeveloped south, the high rates set by the state made it particularly difficult for railways to win business.

This book will be of great interest to those concerned with nineteenth-century Italian politics and economics, but it also speaks to a wider audience of scholars interested in links between political and economic development. It is directed primarily at this more general audience, and hence Italian railways are presented in the context both of Italian history and of rail history. The result is an interesting, readable book that adds a key building block to the new economic history of the state.

Princeton University

FRANK DOBBIN

Masaaki Kuboniwa and Evgeny Gavrilin, *Development of capitalism in Russia: the second challenge* (Tokyo: Maruzen, 1997. Pp. xv + 305. No price given)

This volume looks at various aspects of the contemporary transition process in Russia. Some of the chapters present revised versions of previously published articles, others new work, ranging from a discussion of the general issues of the transition process to more technical analyses. It begins with a survey of the period since the late 1980s and a review of macroeconomic performance, which includes a lengthy study of fiscal trends. The following chapters discuss the extent of the collapse of GDP and industrial production, the transformation of the structure of output and price, the causes of inflation, and the social costs of transition. Finally, the authors look at the regional issues which have come to prominence in the transition process.

A major problem confronting policy-makers in conditions of great instability is to know the exact symptoms which they are trying to treat. In Russia, a precise understanding of economic developments was made difficult because of the extent of structural change, the growth of the informal economy, and the fact that the whole basis of statistical reporting is different under a market economy. Kuboniwa and Gavrilin are among those economists who have