

flair and an eye for dramatic historical detail, this lively book will reward not only historians of business, capitalism, and modern Britain, but also a wider audience interested in the moral dimensions of finance capitalism and its lessons for the twenty-first century.

Jamie Pietruska is a historian of nineteenth-century American culture, science, and technology who is currently assistant professor of history at Rutgers University, New Brunswick, New Jersey. She has published articles on weather forecasting and cotton yield forecasting, and her first book, Looking Forward: Prediction and Uncertainty in Modern America, is under advance contract with the University of Chicago Press.

. . .

Trade and Institutions in the Medieval Mediterranean: The Geniza Merchants and Their Business World. *By Jessica L. Goldberg.* Cambridge, U.K.: Cambridge University Press, 2012. xxi + 426 pp. Figures, maps, tables, glossary, bibliography, notes. Cloth, \$120.00. ISBN: 978-1-107-00547-1.

doi:10.1017/S0007680515000835

Reviewed by Jessica Dijkman

Almost from the moment that a wealth of medieval business documents was discovered in the Cairo Geniza—the synagogue storeroom for discarded writings—attempts have been made to use the information in these documents to answer “European” questions: that is, to discover precedents for, draw comparisons with, or establish connections with Europe’s emerging medieval trade. In her highly readable study of the eleventh-century geniza merchants, Jessica Goldberg moves away from Eurocentric questions. Her study is based on what the author refers to as the “commercial corpus”: a set of 697 business letters or fragments of letters, all from the eleventh century. A distinction between two subsets, each connected to a generation of merchants, allows for an examination of changes in trade patterns in the course of that century. The merchants who wrote the letters were Jews living in the cities and towns of the entire Islamic Mediterranean, but with a strong concentration in Cairo’s twin sister, Fustat.

The letters, as Goldberg explains, were first and foremost business instruments: they conveyed instructions from principals to agents and reports on activities from agents to principals. In addition, they helped to distribute market information and to manage business relations. Both the character of the letters and their limited coverage—it is not clear how much of the correspondence has been preserved, or what share the geniza merchants had in total trade—imposes restrictions

on their value to modern historians. Goldberg presents a lucid explanation of these restrictions and then proceeds to negotiate them carefully and skillfully. In doing so, she synthesizes, puts into perspective, adds to, and in some important respects corrects the results of earlier research.

The book is divided into two parts of roughly equal size. The first (“Institutions”) deals with the structures, norms, rules, and organizations that shaped trade. The second (“Geographies”) discusses the actions of merchants and the flow of commodities and information. Readers intrigued by questions related to contract enforcement and agency will be drawn to the first part of the book and especially to chapter 5. Recently, the protagonists of two radically opposed views on this issue both referred to Goldberg’s research to strengthen their arguments: Avner Greif, to maintain his earlier claim that the geniza merchants (the Maghribi) differed from Italian merchants in that they formed a self-governing coalition, using reputation mechanisms to ensure contract enforcement; and Jeremy Edwards and Sheilagh Ogilvie, to argue that these merchants did not form a coherent collective but also maintained relations with outsiders, and that they, like their European counterparts, combined informal sanctions with legal enforcement (*Economic History Review* 65, no. 2 [2012]: 445–69 and 421–44). Now Goldberg is in the position to tell her own story.

Her views are, on the whole, in keeping with those of Edwards and Ogilvie. She convinces through her thorough knowledge of the sources but also through the clarification she offers on the nature of the system of reciprocal agency (*ṣuḥba*) as an oral but nevertheless formal bilateral agreement between two merchants, creating mutual, but specific and limited, obligations. It was the *ṣuḥba* system that forged the geniza merchants into a community: not a closed coalition, but a flexible network connected through a myriad of bilateral relations. It was also because of the *ṣuḥba* system that reputation mechanisms were important. The labor services that merchants rendered each other as reciprocal agents were, and could only be, enforced through reputation mechanisms; neither Jewish nor Islamic law allowed for labor contracts that suited the demands of agency. For the resolution of conflicts involving property rights, on the other hand, geniza merchants could and did rely on the legal system. Goldberg also emphasizes the role of Islamic states in providing physical safety, contract registration, and price information, thus allowing geniza merchants to do business beyond their own community as well as within it. At the same time she acknowledges the burdens imposed by the rule of an at times exploitative and arbitrary bureaucracy on merchants.

In the second part of the book, Goldberg addresses several existing misconceptions regarding the economies of the medieval Islamic world. Although Goldberg is not the first to challenge the notion that these economies were largely based on profits from transit trade, her analysis confirms that this is a false premise. The foundation of the trade of all geniza merchants was regional production, mainly of agricultural commodities—with flax in first place—but also of products such as textiles and soap and of the raw materials required for their manufacturing. Another view that is corrected here relates to the emphasis in earlier works on contacts between the geniza merchants and Europeans. Goldberg makes it very clear that these contacts were extremely limited, at least in the eleventh century. This challenges the notion of a cross-cultural Jewish trading community; the geniza merchants were firmly embedded in the Islamic world and did not stray beyond it.

This part of the book also sheds a different light on the unity and connectivity of the Mediterranean. That unity was restricted to the western, southern, and eastern shores, and even there it was under pressure. Goldberg notes, at least for the agrarian products that constituted the bulk of the geniza merchants' trade, a contraction of their network to the eastern part of the Mediterranean in the second half of the eleventh century. She attributes this change to growing political instability in the central Mediterranean and outlines how merchants, in a trading network governed by individual agency, responded by adjusting the patterns of their investments and activities. But throughout the book she emphasizes that the choices merchants made were only partially determined by political events or, for that matter, by the structures of society; personal ambitions, but also differences in reputation, diligence, and contacts, could give rise to different responses and different trade-offs regarding business. One of the great merits of this book is that it vividly depicts the geniza merchants as individuals, experiencing every possible stroke of good and bad luck that a career in commerce had to offer.

Goldberg's monograph provides new insights into the economic history of Islamic and Jewish societies, the history of the Mediterranean, and the workings of institutions for agency and partnerships. It deserves to be read by a wide audience. It also deserves to inspire further research, for instance, on the important changes taking place in the Mediterranean after 1100. Now that we have seen what can be done with the geniza commercial documents of the eleventh century, there is good reason to believe that a detailed study of these documents for the twelfth and thirteenth centuries, even if there are fewer of them, might help provide answers to questions regarding the long-term development of the Islamic economies of the Mediterranean, including (but not focusing exclusively on) their relations with Europe.

Jessica Dijkman is assistant professor in economic history at Utrecht University. She is the author of Shaping Medieval Markets: The Organisation of Commodity Markets in Holland, c. 1200–c. 1450 (2011), has done comparative research on the organization of craftsmanship in the medieval Islamic world and Europe, and currently studies the ways in which premodern societies in Europe coped with food crises.

. . .

Lending to the Borrower from Hell: Debt, Taxes, and Default in the Age of Philip II. *By Mauricio Drelichman and Hans-Joachim Voth.* Princeton: Princeton University Press, 2014. xiii + 310 pp. Figures, tables, references, index. Cloth, \$35.00. ISBN: 978-0-691-15149-6.

doi:10.1017/S0007680515000847

Reviewed by José Antonio Espín Sánchez

This book is a meticulous and relevant work of economic history. The authors have collected precise and detailed data—at times contrasting different sources, including sources from Simancas and Genoa—to answer a specific, timely puzzle: the persistence of sovereign debt.

Sovereign debt is different than private debt because there is no third party to enforce the contract; the borrower is the third party. Hence, the lenders have to rely on the goodwill of the borrower or on reputational concerns. However, given some rulers' myopic behavior these checks might not be enough. In a democratic regime, the ruler could simply default and let the next ruler deal with the problem (Argentina). In a premodern regime, the ruler could accuse the bankers of treason, expropriate their assets and execute them, promising to never expropriate bankers in the future (Philip IV of France with the Templars).

What could prevent a ruler's myopic behavior? The authors claim that the need for more funds in the near future, and the ability to distribute those funds to troops, were enough to convince Charles I and Philip II of Spain to pay back their loans. During the sixteenth century, Spain was involved in long and expensive wars against virtually all its neighbors (the Ottoman Empire, France, and England) and internal rebellions (Independence of the Netherlands, Revolt of the *Comuneros*). Since the army was composed mainly of mercenary troops, paying those troops in a timely fashion was the difference between victory and defeat.

The main sources of revenue for the Crown were tithe taxes in Castile and taxes on silver from the New World. Due to the volatility of these sources, especially the silver, the ruler could not ensure a smooth money supply to the troops. Thus, there was a need for short-term financing.