

history; it presents the main debates that have taken place in the field over the past decades, discusses various theories on economic growth and development that are at the heart of the discipline, and gives a good overview of long-term economic trajectories in all the different parts of the globe. All contributions are well written and concise, making the book highly accessible for students (and a lay audience more generally). Those academics teaching global economic history at the undergraduate level finally have the ideal book to use in their course.

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Korinna Schönhärl, ed., *Decision taking, confidence and risk management in banks from early modernity to the 20th century* (Cham: Palgrave Macmillan, 2017. Pp. xx+342. 6 figs. 9 tabs. ISBN 9783319420752 Hbk. £75)

Korinna Schönhärl has assembled a compelling set of essays on how banks and bankers have, over time, coped with the problem of risk. The different contributions to *Decision taking, confidence, and risk management in banks from early modernity to the 20th century* speak clearly to each other on the themes of risk and uncertainty, reputation and confidence, and profit and stability. At the same time, they approach these ideas via distinct historical case studies and with different sources and analytical tools. Together, they show that scholars of risk have much to learn from economic historians who attend to how practices of finance and banking have evolved to mitigate risk and who thus reveal the all-too-human effort to cope with an unknown future that promises profit or loss.

How is risk understood in this volume? In her introductory comments, Schönhärl frames it as ‘the possibility that an action causes losses for or damage to the actor’ (p. 2). Thus, risk exists when actors perceive and act in response to it. Important, too, to the essays collected here is the idea that actors—here bankers, merchants, and financiers—can take risky decisions with an eye to generating future profits from them. A key strength of this volume is its emphasis on the dual nature of risk as always containing the possibility for profit or loss, and its careful attention to how risk is a matter of perception, experience, and action under conditions of uncertainty. To explain how this unfolds in banking decisions in a variety of contexts, the authors here draw on a range of resources: archival materials from financial institutions and practitioners, social theory, network analysis, and behavioural finance. In so doing, they show the value of taking the appropriate qualitative approaches to explaining specific cases, and they give empirical support to social theoretic approaches to understanding risk and trust, particularly those of Niklas Luhmann and Pierre Bourdieu.

It is impossible to do justice to the full range of arguments contained here in a short review, but two key contributions are worth emphasizing. First, the volume calls attention to reputation as a critical resource for bankers seeking to manage and spread risk. As Sebastian Knake notes in his essay engaging Monika Pohle Fraser’s work on risk management in nineteenth-century French and German banks, assessing the people involved in financial ventures and demonstrating trust and optimism in the creditworthiness and expertise of partners was just as important as, or even more important than, ‘calculations of yield’ (p. 148). This theme emerges in other essays as well. In Susie Pak’s account of partnership changes in the House of Morgan, she uses partners’ personal papers to explain how they relied on trusted networks of elite firms and secondary and post-secondary schools to bring in new partners and build confidence, ‘to confront generational change, incorporate new family lines, and distinguish the bank from its peers’ (p. 47). Similarly, in her account of the business practices of the sixteenth-century Salviati bank of Lyon, Nadia Matringe draws on network analysis to show how ‘decision-making was not a disembodied process based

merely on numbers, but a complex configuration of choices strongly influenced by social capital' (p. 231). As Matringle documents, the network of social trust between the Salviati and their clients and partners was a 'precious asset' not to be risked (p. 213). While this network was a *source* of information during risky banking decisions, preserving it was also an *aim* of these decisions.

Matringle's essay points to the second major contribution of the volume—its keen emphasis on the importance of social capital and trusting relations as important resources for coping with risk, *human* resources that are perhaps more important than bare calculation and probability. At the same time, many of the essays quite usefully point to the limits of human beings when it comes to risk, knowledge production, and decision making. For example, Victor Ricciardi and Schönhärl draw on the insights of behavioural finance to consider common biases among individuals and groups when taking risky decisions, noting a broad range of cognitive limits from anxiety to over-confidence. They also interrogate whether behavioural finance is a useful lens to bring to historical case studies in banking and risk. It may well introduce unwanted anachronism, but it also orientates us as risk scholars to the limits of the human capacity to cope with the unknown.

This important and engaging set of essays does much to show us how cultural and economic history can work together to help us understand how bankers have confronted risk, one of the hallmarks of their profession. It illuminates how they, like us, cannot determine what is risky in isolation, but must draw on cultural understandings of risk to make assessments and choices (p. 139). Risk scholars, social theorists, economic historians, and economists thus have much to learn from the rich case studies offered here.

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Naomi R. Lamoreaux and John Joseph Wallis, eds., *Organizations, civil society, and the roots of development* (Chicago and London: University of Chicago Press, 2017. Pp. 380. 30 figs. 17 tabs. ISBN 9780226426365 Hbk. \$130; ISBN 9780226426532 E-book. \$130)

In this volume, historians, political scientists, legal scholars, and economists bring to bear different analytic tools to the question of the co-evolution of different types of institutions. The unifying theme is styled 'open access', meaning, roughly, enlarging the sphere of unrepressed organized activity, economic and civic, the better to encourage the flourishing of an organization's members and thus society. Deeply archival, only occasionally too model-driven, relentlessly broad in both source material and thoughtful approaches, it opens a plethora of interpretive possibilities. North American and European in focus, nine essays touch the seventeenth to twentieth centuries. Collectively, they serve as a model for how to think about institutional history.

Beginning with Dan Bogart's essay on the British East India Company, which introduces the central tension of organizations within but apart from the state, open access develops. Chartered so that Britain could extend influence without embodying all the risks of state activity, the Company developed its own life, and hence aims, but it was dependent on the state for its monopoly and flourished only so long as it retained the state's favour. Despite its decline, the potential gains from internalizing and coordinating specialized human activity were not lost on observers.

Other essays in the volume, however, illustrate that such gains were themselves part of a historical process. Focusing on literal violence, Barry Weingast notes that towns and their indigenous institutions established secure property rights and a degree of liberty. In England, it was towns, not the king, that had the capacity to protect inhabitants. With protection came greater capacity to use resources, creating surplus, with surplus