Centro Studi sui Monti di Pietà e sul Credito Solidaristico

FONDAZIONE DEL MONTE 1473

Centro Studi sui Monti di Pietà e sul Credito Solidaristico

Call for papers

Mobilizing money for the public good

International conference, Bologna (7-8 November 2022)

Historians and economists agree that credit markets are fundamental in economic development - in the past as today - and contemporary international agencies have often singled out credit as a strategic tool to help "developing countries" to bridge the gap with "advanced" economies. The idea and the techniques of gathering and mobilizing money for public goals have a long and complex history. Focusing on Western Europe, since the early thirteenth century credit innovations were closely tied to economic progress and had a lasting impact. A wealth of studies has clearly documented the importance of credit to the world of the merchants. However, credit and debt relations were not only developed among professional traders, they permeated nearly all aspects of life, shaping public policies, social relations, and people's identities.

Since capital mobilization plays a key role in theories of economic growth, many studies have focused on the early development of well-functioning capital markets and the institutional framework that encouraged the long-term mobilization of savings that would otherwise remain unproductive. Capital formation provided funds and supported both private and public undertakings, business ventures, and non-profit investment, to become a constitutive element of the urban experience across Western Europe.

Since the late medieval period, civic authorities devised sophisticated ways to mobilize wealth to fund public endeavours. Communities resorted to funded debt and issued bonds to finance a variety of public projects. Financial tools that were conceived as extraordinary expedients to face emergencies (such as war) often became seminal initiatives, which led to permanent forms of consolidated debt. Trust was a central concern and polities discovered the power of credit and the advantages of these new instruments (or simply the difficulty of turning back), transforming them in permanent features of economic policy.

This financial approach became standard to address public emergencies, and even found its insignia in the symbolic mound of hills – *monte* – referring to any capital amassed for the public good. A case in point is the intertwined history of the *Monte comune*, the *Monte delle doti*, and the *Monte di pietà* in Florence. They had a quite different scale and served distinct political and social goals. Still, they followed comparable strategies and relied on the ability to persuade those who had plenty that was convenient (for them and the community) to provide capital to fix public ills.

Early modern state finance built on that expertise, adopting and perfecting a multiplicity of financial instruments. Credit obligations were widespread: it would seem that a growing tangle of debt and credit linked governments and households. Since public bonds were an increasingly common form of investment this may have contributed to broaden social participation beyond the moneyed élite.

Floating debt had a different scope but was just as important at the lower end of the market. It took the form of consumer credit, it was ubiquitous and it greased the wheel of the "survival strategy" of most households in the face of accidents and life-cycle events. Religious imperatives and social worries induced public bodies to intervene in order to regulate this sensitive segment, trying to limit costs and affording borrowers a degree of protection from arbitrary treatment. Social concerns played a crucial role in promoting innovation and testing new ideas: it spurred new forms of non-profit, private and public sector collaboration leading to the development of model credit institutions concerned about achieving social aims.

Adopting a broad chronological and geographical approach, we aim at exploring, in both cultural and economic terms, how the mobilization of capital in the pursuit of the public good took place in different contexts. In particular, we aim to encourage discussion between two fields of studies that have so far progressed independently and have largely ignored common features and interactions, namely the studies investigating the development of government debt and the studies exploring community based credit and the capital formation of proto-welfare institutions.

In our investigation, we are interested in discussing the following issues:

- Which were the issues/emergencies faced? How did they change over time?
- Who was able to mobilize money – and how?
- How capital for collective project was raised? How were people convinced to contribute?
- Which were the different forms to mobilize money for social goals?
- How did an emergency response evolved into a permanent institution?

- How different polities institutionalized and managed public debt?How public debt served as a (conceptual/practical) model to fund social institutions, such as hospitals and *Monti di pietà*?
- How did communities consider debtors/creditors? How did this issue intertwine with the idea of citizenship?

- Are there major differences in different areas of Europe? If so, why?

Main panels:

1) **Credit and public bodies**
   Governments' ways of raising and mobilizing money for public goals. Attracting investors and nurturing trust. Number and identity of owners of public bonds.
2) **Credit and proto-welfare agencies**
   Early forms of "crowdfunding" to capitalize proto-welfare institutions. Financial dealings and financial investment of charitable agencies.
3) **The social dimension of small credit**
   Contrasting the diffusion of unregulated and exploitative forms of small credit. Providing affordable credit in a socially responsible way: funding, rules, practical means, and accountability.

Final Round table