
by Giovanni Ceccarelli

Though focussed on cross-cultural trade, i.e. business relations among merchants that deeply differ in religious affiliation and culture, the aim of Francesca Trivellato’s convincing book is much more challenging. By consciously developing her analysis at both micro and macro level Trivellato intends to draw — as she says — a ‘global history on a small scale’ of the relation between society and markets in the early modern period. The affairs of an 18th century Sephardic family firm in Leghorn — the Ergas and Silvera partnership — are thus used as a magnifier to face a major historical topic.

The first part of the book is devoted to the context in which the Ergases and Silveras develop their commercial activity, namely their family structure and ties, their position within the complex network determined by the Sephardic Diaspora, and their relation with the city in which they settled. The analysis of these issues is not meant to be just descriptive but holds on an accurate comparison. Such an approach reveals a multi-faceted framework with regard to: Sephardic families kinship strategies; the legal status of Jews living in Amsterdam and Leghorn; the networks developed by Diasporas (Armenians and Sephardim are compared); (d) social hierarchy and norms functioning in different Jewish communities (focussing again on Amsterdam and Leghorn). This preliminary inquiry already discloses one of the book’s main themes: the questioning of ‘comfortable’ and straight-line interpretations of the minorities’ economic role. Trivellato is not at ease with those who consider minorities as insular communities, ruled by self-governing moral norms, that withstand to the overwhelming march of impersonal markets; but she also distances herself from those who argue in favour of an harmonic integration between majority and minorities, pointing to the rise of Capitalism as the main factor which modified religious and cultural barriers.\(^1\)

The second part of the book deals on how the Ergas and Silvera partnership conducted its business. Trivellato undertakes a stimulating revision of the new-institutional approach, reconsidering the crucial issue of contract enforcement in the light of network analysis and economic sociology.\(^2\) It all revolves around the profitable but not very renowned


\(^2\) This revision is addressed both to the orthodox version of the new-institutional
exchange between Mediterranean coral and Indian precious stones, in which Leghorn’s Sephardim specialize. It is an industry that is marked by apparently unsustainable transaction costs and extreme risks: for instance, the entire procedure was completed only in two or three years. Given these premises, one would expect to find an underlying solid institutional framework, grounded on reliable normative systems, on efficient forms of commerce organization, or at least on trading networks culturally uniform enough to establish common business rules.

Yet the book reveals something unexpected: the trade holds in its entirety on a ‘cross-cultural coalition’, on a heterogeneity of players in which Sephardic firms of Leghorn, Genoese brokers of Lisbon, and Hindu merchants of Goa, do business side by side; a patchwork of juridical systems hinders the possibility of enforcing commercial agreements by law; the prevailing form of business, commission agency trade, is one of the most backward and incomplete in those times. In short, if new-institutional historians were to apply their game theory models to this trade, the expected result would be systematic cheating. But what happens is the opposite. Not only this cross-cultural coalition controls the coral-precious stones exchange for at least half a century, but it is able to respond to major economic changes taking place during this period.

To explain the reasons why this coalition was able to be successful Trivellato borrows from economic sociology the concept of ‘weak tie’, the only possible relation among people belonging to cultures who differ so widely.3 Though feeble and uncertain, these ties may offer greater opportunities than the ‘strong ties’ that a self-secluded community may grant. But how can property rights be guaranteed in a trading network in which only weak ties are at work? The answer to this question is provided in the most groundbreaking part of the book, in which the author asserts the existence of informal norms of economic conduct, which are shared by the cross-cultural coalition in its entirety, and conveyed by business correspondence. To standardize economic customs and expectations and thus to foster contract enforcement, not only a common language - through which Christian, Sephardic, and Hindu merchants could convey commercial information - had to be built, but a shared rhetorical code was above all needed. By the end of the 16th century, according to Trivellato, a ‘language of obligation’, modelled on the number of business correspondence manuals that were published and read at that time, was beginning to be developed. It was

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an etiquette of friendship and mutuality applied to business that tended to even out differences, strengthening trust relations and reciprocity bonds. Traditional strong ties, as those determined by kinship and religion, were therefore gradually supplanted by those deriving from a shared business ethic among strangers.

The framework in which the Ergas and Silvera partnership managed its affairs was however much more complex, since weak ties coexisted with (and at times levered on) strong ones. For instance, penalties for a Sephardim’s unfair business conduct could be carried out within (and by applying norms of) the Sephardic Diaspora by another member of this community, but on behalf of a cheated Hindu merchant with whom the former had dealings. Juridical protections could as well be used to make the informal bonds that governed the coalition more stringent. Though appeals in court were less effective than business customs in granting property rights, whenever it was necessary and possible the members of the cross-cultural coalition did not refrain from taking legal actions.

The overall picture that we get is thus one of an intricate socio-economic system in which the overlapping of formal and informal institutions and the merging into each other of traditional groups and new networks determines a many-sided business strategy. Trivellato is not interested in establishing, as the new-institutionalists would be, whether the way Ergases and Silveras traded was modern or archaic, but rather in showing how flexible firms had to be in order to cope with complexity and be successful. From this point of view a smooth but multi-faceted transition from a pre-modern economy, grounded on group affiliation, to a modern free-market society, based on individuals and impersonal exchange, seems to be suggested.

Moreover, this case-study of cross-cultural trade deeply questions the cliché that considers Jewish history as a separate field of research. Trivellato shows that the Ergas and Silvera firm could not (and would not) confine itself to doing business among Sephardim, since community membership did not ensure contract enforcement. The amazing story of the ‘big diamond affair’ with which the book ends, that brings to the bankruptcy of the family firm, is a perfect example of how failures can be irrespective of religious affiliation. Commercial risks had to be widened, and profitable opportunities had to be looked for, beyond the circumscribed circle of the Diaspora, by enlarging business to other individuals and groups with whom only weak ties could function. In the end, this book warns scholars of uncritically accepting the self-explanatory tale of ‘groupism’ as a key to explain Jewish history and suggests to reconsider the contribution to modernity given by Jews in the light of a more general paradigm. A process in which a number of self-secluded groups, through a difficult and time-consuming effort, manage to find a least common denominator in order to interact among each others.
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