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Reseñas

Carles Sudrià and Yolanda Blasco-Martel (eds.).
The Origins of Modern Banking in Spain: The Role of Monetary Plurality. Abingdon, New York, Routledge, 2019, 208 pp. ISBN: 978-0367729950.

Being true to its title, *The Origins* analyzes and discusses the emergence and development of banking in 19th century Spain, with the subtitle reflecting the heart of the book, the role of issuing banks and monetary plurality. Issue plurality is a key momentum in the modernization and diffusion of banking practice. This has been especially true for the formative stages of modern financial systems. In Spain, this momentum arrived late and was taken away too early.

Edited by Carles Sudrià and Yolanda Blasco-Martel, it unites 5 specialists in financial history, all of them having written intensively on the history of banks in Spain in general and issuing banks in particular. The book begins with Sudrià and Blasco-Martel situating it in the existing literature, presenting the principal research aims, and providing an overview of major political and economic developments in 19th century Spain. The rest of the book is organized in seven chapters, each having the character of an essay. All draw on extensive archival work.

Sudrià begins by laying the theoretical foundation and historical framework for what is the core message of the book: the right to issue money is the power to shape modern finance and with it economic growth. When given to Spanish provinces, from 1844-1874, it meant their economic independence. This phenomenon was not exclusive to Spain. Discussing the emergence of modern banking in Europe, Sudrià argues that an efficient financial system, able to accumulate and direct capital towards leading economic sectors, is key to economic growth. With accelerating trade and industrialization, the introduction of fiat, or paper, money became pivotal element in meeting the increasing demand for means of payment in the 18th and 19th century. Consequently, plurality issue was present in every European economy at that time. In chapter two, Blasco-Martel then delineates the history of Spanish banking regulation, with special focus on how different banking laws affected the development of issuing banks. In the following chapter, Blasco-Martel provides a most interesting analysis on the synthesis of the Spanish banking elite and their engagement in business and politics, dissecting the influences of different provinces and emphasizing the competition between Madrid and others in the context of nation building. Drawing on annual bank reports, in chapter four Bernal Lloréns and Sánchez-Ballesta study banking performance between 1858 and 1874, emphasizing profitability and solvency. Chapter five, written by Sudrià, is a wonderful run through the history of the major issuing

banks of Spain and constitutes the foundation of the subsequent analyses in chapter six which asks why Spain abandoned multiple issue in 1874, written by Castaneda. The final chapter, again by Sudrià, concludes and puts the Spanish experience into European context.

The book skillfully shifts between overview and detail, supporting its arguments with rich data. It draws with precession the patterns of modern Spanish banking, successfully convincing the reader of the idea of multiple issue being requisite to modern finance. At the same time, it meticulously discusses the effect of legal changes on issuing rights in Spain, going back as far as the 1780s, and illustrates how voting rights and asset structures banks alternated depending on the economic framework of the banks 'province and defined their profitability. It dissects the influence of the Spanish banking elite in industrial and commercial activities, discusses the high political positions they filled, the land they owned, and examines the weight of their voice in multiple issue on a provincial level.

Every chapter extensively draws on archival sources, reflecting a considerable amount of work. The result is presented in over sixty figures and tables providing detailed information on the chronology of issue regimes in Europe, banknotes circulation in Europe, and credit performance, ROE, and other balance sheet data of Spanish banks, to only mention a few. This impressive detail, paired with the dense information provided, creates its own challenges, as it sometimes makes the text dense and hard to read.

From the very beginning, the title, the book makes it clear that it focuses on the role of monetary plurality on the formation of the modern Spanish banking system, and with the elaboration of the money issue-growth-nexus it provides a plausible justification for this approach. However, it would have benefited from incorporate the role of other types of banks, if only to contrast the importance of issuing banks.

The first and the last chapter of the book act as frame, situating the Spanish way into the broader context of European banking history. Yet, the chapters feel a bit like a disconnected prelude and concluding reflection. One could have wished that such encompassing perspective would be more present in the rest of the book. What was the banking performance of issuing banks in other, European, countries? Was their organization and business model, similar to Spain, adapted to province specific economic conditions? Can we observe similar structures of different elites shaping the financial system from its very cradle? Although, I must admit this critique is slightly flawed. The aim of this book is the illustration and analysis of the formation of modern banking in Spain, and that is what the book successfully does, with the bonus of providing a broader context in the beginning and end.

The Origins is a great book. It is a book for those interested in how different economic and political events, agents, and institutions molded and developed the modern Spanish banking system. For those who aim for the big picture of banking formation but want to understand its underlying (micro-) mechanisms: from legal conditions, to provincial differences, elites, and individual banking performance. Ultimately, it is for everyone who wants to understand how the power of com-

manding capital and issuing money shape financial systems and economies.

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