

Il Quarto Capitalismo. Un profilo italiano [The Fourth Capitalism: An Italian Profile]. By *Andrea Colli*. Venice: Marsilio Editori, 2002. 117 pp. Index, notes, appendix, figures. Paper, €9. ISBN 8-831-78001-8.

Reviewed by David LoRomer

Andrea Colli's study of the "fourth capitalism" in Italy can best be situated by referring to an earlier synthetic work on Italian capitalism that he wrote in 1999 with Franco Amatori, *Impresa e industria in Italia dall'Unità a oggi* (Enterprise and Industry in Italy from Unification to the Present), which I reviewed in a previous issue of this journal (Autumn 2001). In their earlier book, Amatori and Colli stressed the role of heavy industry in bringing Italy up to the threshold of great-power economic status. However, while emphasizing the link between heavy industry and the state, they could not ignore the fundamental shortcomings of state capitalism in Italy, which led them to consider the alternative contribution of a more natural economic process of development, as demonstrated by Italy's strong agrarian sector and its entrepreneurial and artisan traditions. It is on the basis of this second process that Andrea Colli constructs his notion of the "fourth capitalism."

For Colli, the "fourth capitalism" constitutes a kind of *Mittelstand all'Italiana* (an Italian "middle way"). Situated between the heavy industry that had characterized the most dynamic sector of Italian industry up through the Second World War and the fragmented, peripheral economic activity of the country's postwar period, the firms that comprise this new category serve for Colli as "the advance points of the new Italian capitalism" (p. 32). Quantitatively, the firms in this sector individually employ at least 500 workers and, in the aggregate, they produce goods worth 1.5 billion Euros. At the turn of the twenty-first century, they generate approximately 30 percent of the country's industrial output and employ 40 percent of its labor force (p. 27).

In many respects, these firms relate to the country's traditional "Made in Italy" economy. Entrepreneurial, family firms, they exploit Italy's long-standing strength in food production, clothing, and light industry. Wedded—at least initially—to local environments, they capitalize on their geographic and familial roots and draw on well-

honed mercantile traditions to establish a commanding presence abroad. What appears to distinguish the 350-plus firms that make up this category, though, is their ability to overcome limitations of size and location, to appropriate more promising elements of divested state industries, and to erect organizational structures that enable them to become, in effect, “pocket multinationals” (p. 65).

One of the clear strengths of this slim, exploratory volume is Colli’s patient effort to present raw data on production, capitalization, profits, and exports for virtually all the firms that belong in this class. Reflecting his interests as a business historian, Colli (aided by his graduate students at the Bocconi University in Milan) provides thumbnail histories of individual companies and draws up organizational charts designed to capture a salient feature that they all share: the ability to construct group clusters (holding companies) that, in some cases, reach sixty to one hundred firms.

Whether this “fourth capitalism”—successor to a first stage of private capitalism, a second stage of public capitalism, and a third stage, based on small, locally organized firms (p. 16)—constitutes a whole new stage in the history of an already amorphous concept, however, remains dubious. In many respects, these firms seem to be drawing from the more regressive traits of the third capitalism, where flexibility and family organization provided an escape from tax burdens and labor legislation (p. 80). At another level, they continue to struggle as well with some of the traditional limitations of family firms—the problem of succession and an inherent reluctance to utilize public capital and turn to external expertise, which could threaten family control (pp. 57, 60–1). Finally, though these firms are pressed into a special category, they appear to lack any clear sense of collective identity or formal institutional grounding (p. 22). While dynamic and successful, they still provide only a minority portion of Italy’s commodities and jobs, and their tendency to locate in the more privileged areas of the country’s postwar economy promises to do little to redress the fundamental imbalance in the economic geography of Italy (p. 30).

Colli is aware of these problems. In concluding his brief study, he notes that the private nature of the firms makes them difficult to investigate, rendering them virtual “black boxes” (*scatole nere*) (p. 88). For the moment, questions remain open, and little is known beyond the histories of individual firms (p. 85). Even while recognizing that this

study represents a work in progress, though, Colli insists on the importance of the category and asserts that the firms composing it constitute “a formidable asset” that makes these entrepreneurial realities “a new, and to the nth degree, concrete expression of the Italian industrial model” (p. 89). Perhaps his judgment might prove true, but as Naomi Lamoreaux, Daniel Raff, and Peter Temin have suggested in a recent study, “Beyond Markets and Hierarchies: Toward a New Synthesis of American Business History” (*American Historical Review*, April 2003), this line of argument raises two fundamental problems that continue to plague economic history-writing more generally: the tendencies first to see history culminating in the present and second to present national examples as universal norms. If the past is any indication, history is not likely to stop (especially in Italy), and even in the domain of the “fourth capitalism,” as Colli himself suggests (p. 92), other countries might be doing things even better.

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