

Monopoly Power and Competition: The Italian Marginalist Perspective.
By Manuela Mosca. Cheltenham: Edward Elgar, 2018. vi + 242 pp.
References, name index. Hardcover, £80. ISBN: 978-1-78100-370-1.

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Reviewed by Paolo Di Martino

Big business in manufacturing (in the past) and, more recently, giants in the Internet and distribution industry have attracted the attention of both policymakers and economists because of, among other factors, their power to distort competition and to impose conditions on consumers. Market power is therefore a key concept in economics and a central, maybe unwelcome, presence in the economy. On these bases it would be logical to expect full attention to have been paid to the history of this concept and of its causes. But in fact, a gap in the literature seems to exist, and this book aims to fill it. The author's choice is to do so by looking at the work of four major Italian economists: Vilfredo Pareto, Maffeo Pantaleoni, Antonio De Viti de Marco, and Enrico Barone. In so doing, the book takes on multiple tasks: not only to look for the roots of ideas on market power and competition but also to define these relevant figures and to explore and highlight their more general contribution to the development of economic ideas and to policymaking.

The book is organized in five main chapters, completed by an introduction and a final section with some general conclusions. The introduction properly paves the way for the following analysis, putting the reader in the best position to navigate the volume and appreciate the logic behind the connections among the various parts of the book. In the first chapter the author sets the scene for an in-depth analysis of the work of the four Italian economists who are the protagonists of the book by reviewing, with a historical approach, the literature(s) engaging with the concept of monopoly power. Given the complex nature of this idea, the chapter moves along four different paths: the history of formal models of profit maximization under imperfect competition; the history of competition policy; the theory of competition; and the definition of the concept of entry barriers.

The following chapter (chapter 2) deals more directly with the contribution by the Italian marginalists, focusing on what looks like one side of the debate on market power: the issue of competition and the conditions that might make it less than perfect. In this, a fundamental distinction is made between “static” lack of competition—resulting from structural barriers to the free movement of actors in the market—and “dynamic” (temporary) situations of limited competition caused by innovations and other factors, a theme central to the so-called classical school of economic thought, too. The view, stressed by Italian

marginalist economists, that dynamic competition is never perfect and that in reality dynamic competition is the rule rather than the exception represents the background of chapter 3. Here the analysis focuses more specifically on the causes identified by Italian economists to explain the existence of market power, particularly the emergence of big business and of oligopolistic markets.

Chapter 4 pushes the analysis in a different direction, switching the focus from the theoretical contribution by the four major Italian economists of the time to their role as applied scholars. This chapter therefore investigates how these central figures of the Italian scientific community of the time looked at the fit and the heuristic power of their theories in dealing with contemporary radical changes, such as the rise of issues related to gender, mutating features of the labor market, the spread of socialism, and World War I. Chapter 5 represents the coherent development of the previous chapters, by looking at these economists' attitudes toward the state. The chapter analyzes both their views in regard to the state as a concept and their active role as policymakers. What emerges, contrary to some stereotypes surrounding these figures, is a rather multi-faceted view of the state, of its roles, and of the duties of the elites governing the state itself. Finally, the concluding section summarizes the main message(s) of the volume, wrapping up the very diverse and articulated set of ideas discussed in the book.

Overall this reviewer's assessment of this book is positive. Despite the apparent narrow focus on a limited number of economists and, at the other extreme, the very wide nature of the topic under study, the book manages to provide a coherent analysis, touching upon a number of relevant aspects. Also, it spans the history of economic thought, economics, and economic history, being therefore of potential interest to a wide audience, both Italian and international.

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Money, Power, and the People: The American Struggle to Make Banking Democratic. *By Christopher W. Shaw.* Chicago: University of Chicago Press, 2019. 400 pp. Notes, index. Cloth, \$30.00. ISBN: 978-0-226-63633-7.

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Reviewed by Judge Glock

This book is shaped in the classic mold of progressive historiography. On the one side are benighted bankers and plutocrats grinding the faces of