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***סוזאן יקרה, המילים ה מודגשות הן בדרך כלל נוספו על ידי השופט הראשון שבדק את המאמר. בבקשה לא למחוק אותם.***

***הפריטים בביבליוגרפיה הצבועים מסמנים פריט שנוסף.***

***בטקסט אין לצבעים חשיבות או משמעות***

**Jewish Immigrant entrepreneurs in Late-Renaissance Italy**

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**Abstract**

This chapter sheds light on the historical dimensions of the study of immigrant entrepreneurship by exploring Jewish immigrant entrepreneurs in late Renaissance Italy during the long-durée sixteenth century via two chronologically consecutive case studies: a) immigrant Ashkenazi Jews from Germany who settled in North Italy and internal Italian Jewish migrants from central Italy who established networks of small-to-medium-scale Jewish banks in the Duchy of Milan during the long *Cinquecento*; and b) the Jewish immigrants (primarily Iberian exiles) who settled primarily in Tuscany, the *Livornina* constitution of 1593 providing the conditions for the development of the new port of Livorno (in English Leghorn), and encouraging them to participate in the long-distance trade that formed part of early-capitalist expansion. Discussing the entrepreneurial patterns of the various Jewish migrant sectors, it argues that Italian city states fostered Jewish immigration in the same way as modern nation states promote multinational investment. **It worked. The Jewish migrants brought with them cultural resources that rendered them catalysts of economic development in late Renaissance Italy**.

**Introduction**

**This chapter** explores the entrepreneurial **role** of **diverse streams of Jewish migrants during the long-durée *Cinquecento* through two chronological case studies**. **The first stream consisted of** (primarily) Ashkenazi Jews from Germany who began settling in the Duchy of Milan in the mid-fourteenth century and internal Jewish migrants who arrived **in Milan after** the Jewish expulsion from the Papal State in the mid-sixteenth century. These Jewish migrants developed a network of small to medium scale Jewish banks operated in the Duchy of Milan until their expulsion in 1597. **The second stream consisted of descendants expelled Jews from Spain (1492), including former New Christians (converted Jews to Christianity) from Portugal. The latter** were skilled merchants, resettled in Tuscany where they **had reverted to Judaism**, **after they had been** granted privileged status in 1593 to develop the new free port of Livorno. This **stream** of Jewish immigration **peaked** in the mid-1600s. While Jewish banking declined following the establishment of Christian credit institutions in the Duchy **of Milan,** Jewish migrants from **Spain and Portugal** experienced a golden age in Livorno that lasted into the seventeenth century.

Attracted to new opportunities in Italy, a nascent capitalist country, these ethnic migrant entrepreneurs brought with them **important** capital resources: financial capital, human capital, social capital, symbolic capital, and cultural capital. T**heir** cultural capital was a vocational culture of entrepreneurship. **Their symbolic capital was a reputation for business acumen, which brought them ducal invitations to settle in Italy**. **Using all these ethnic resources the immigrants went to work developing the economy of the host states.**

In the late Renaissance, the economically developing Italian states encouraged Jewish immigrants **precisely** **because** that **they were known to be** rich in **business-friendly capital resources***.* **Today, states invite multinational corporations; then they invited entrepreneurial immigrants.** Examining the origins of Jewish migrant vocational culture and the influence of Jewish migrant entrepreneurial resources upon the Italian states, the chapter concludes with a comparative discussion of the two case studies and today’s globalized and culturally homogenized world.

1. **Theoretical Framework**: **Middleman Minority, Transnational Entrepreneurs** **and their Forms of Capital**

Immigrant ethnic entrepreneurs in the context of this study refers to ethno-religious migrants in historical patrimonial host societies characterize with gap between ethno-religious elites and masses.

**Liability of foreignness** (LOF) expressed by poor language skills, discrimination against, and the lack of relevant resources or social embeddedness, LOF can significantly limit immigrants’ access to business resources. Consequently, LOF defines as social cost of doing business in foreign countries. Yet, their disadvantaged status in the labor market frequently led migrant entrepreneurs to use entrepreneurship as a survival option. Moreover, foreignness can represent for immigrant entrepreneurs both a liability and a competitive advantage, reduced entry barriers, but also increased competition between various immigrants engaged in identifying, developing and exploiting entrepreneurial opportunities in host countries (Guặru et al., 2020).

Bourdieu’s forms of capital (economic, human, social, symbolic and cultural) (Bourdieu 1986) enable these migrant entrepreneurs copying with the LOF challenge, considered the main challenge of immigrant entrepreneurship (Gurặu et al. 2020). **Social capital** supports interpersonal relationships and networks for social groups to function effectively (Tata & Prasad, 2015). Thus, involves relationships of trust and reciprocity that inhere in social networks, (Light & Dana, 2013). Light and Dana (2013) suggest that social capital promotes entrepreneurship only when supportive **cultural capital** is available. For example, Protestant ethic was a specific form of cultural capital (Light, 2010a). Accordingly, entrepreneurship may be “seen as legitimate”. Dana (2007) even argues the causal variable behind enterprise is *not* an opportunity, but rather one’s *cultural perception of opportunity.*

**Cultural capital** directs social capital to approved vocational goals. Already in 2020 Light and Dana argued that availability of diverse sources of capital defined by Bourdieu essential to promote entrepreneurship among ethnic groups, had to be complemented by the **vocational culture of the elite**. Contrasting with vocational skills—a form of human capital—this is an ideational matrix involving tacit knowledge, personality structures, a moral compass, business-friendly attitudes, and the values necessary for successful business. Transmitted inter-generationally, its cultural traits encourage business acumen. The most important entrepreneurial vocational-culture value being the desirability of owing one’s own business, combined with an understanding of how to evaluate risk, when and from whom take advice, etc. (Light & Dana, 2020, pp. 9‒19).

Applying Bourdieu’s interpretative framework of forms of capital and the **resource-based view** of the firm (helps to look inside an organization to analyze how an organization exploits its tangible and intangible resources to earn superior performance, Haq, et al. (2023) present a novel culture-induced entrepreneurship model. This model explains how ethnic minority, frequently of migration origin, culture shapes the development of human capital resources and how these resources contribute to business performance in communities.

**Symbolic capital** is based on recognition and prestige primarily generated from fulfilling social obligations in a particular culture and historical frame (Vershinina & Rodgers, 2020). Since cultural and symbolic forms of capital, it can be converted into political and social advantage.

Although stateless immigrants, Jewish entrepreneurs in the historical context of late-Renaissance Italy, suffered hostility as well as discrimination against in their host countries. The two streams of Jewish migrant entrepreneurs analyzed in this chapter represent two types of ethnic migrant entrepreneurs connecting to two different contexts: the first, ethnic migrants entrepreneurs, who became classic **middleman minorities,** characterized by sojourner’s mentality (Bonacich 1973; Light & Gold, 2000, pp. 6–8) in historically patrimonial ethno-religious uniform host societies; the second, **transnational entrepreneurs of migration origin**, suits to middleman minorities who operate in cosmopolitan environment of the host (similar to today’s Globalization). This open environment has created favorable conditions for immigrant entrepreneurs who do not integrate fully in a host country’s society, using their foreignness as a competitive advantage and source of business opportunities. Transnational entrepreneurs represent a middleman minority positioned and active at transnational level, while sojourner’s mentality is a defining characteristic of middlemen minorities. (Guặru et al., 2020, 702; Light 2010).

Middleman minorities had two overwhelming strengths: Their cultural capital strongly endorsed business ownership as a vocation, and the hostility of more powerful hosts could not

deflect them from this vocational goal. Middleman minorities also mounted extraordinarily stronger social capital than what dominants mobilized against them. Their enhanced social capital enabled the persecuted ethnic minorities to overcome the hostile social capital of the powerful, even establishing entrepreneurship as their main line of economic defense. (Light & Dana, 2013).

This chapter extends the research on Jewish migrant entrepreneurs from Venice (Light and dana 2020) during late Renaissance ‒after Luther ‒ to the Duchy of Milan and Livorno. In this study it is claimed that the Jewish migrants’ communities in late renaissance Italy were rich in all three types of capital, social, cultural and symbolic capital, which were the basis for business prosperity in the 16th - 19th centuries. These communities enjoyed returns on their symbolic capital (eg. Condotta, Charter), created cultural capital which shaped their entrepreneurial patterns and impacted the resources of their both banking and commercial firms.

1. ***Case study 1* Jewish immigrant bankers in the Duchy of Milan during the Spanish period, 1535–1597**

In contrast to the Milanese economy, which was based on the agricultural fertility of the Po Valley, the Jewish migrants were primarily urbanites whose key source of income was **moneylending, i.e.** the **financial industry**. **Milan needed this industry to develop its market economy.**

2.1 **Jewish migration to the Duchy of Milan under Spanish rule**

The gateway to central and northern Europe, Milan was central to Spain’s political **ambitions**. Located on the “Spanish Road,” it witnessed a constant stream of soldiers and supplies sent by Philip II to fight the **French and the Protestant rebels** in the Netherlands (Cassen, 2014, p. 86). In the wake of the prolonged internal wars that afflicted it until 1535, the **Duchy of Milan** experienced a**prosperous** “Indian summer,” its population and industry both growing rapidly during the second half of the sixteenth century (Cipolla, 1980, p. 255; Goldthwaite, 2009; Malanima, 2022). Industrial activity **peaked** in 1615, when for example, in Cremona 187 firms produced woolen products and 91 linen fabrics (Cipolla, 1980, p. 258).

Adopting a policy designed to strengthen urban industry, **the Dutchy** granted privileges to landowners to move to the towns accompanied by their households, equipment, and workforce. This policy prompted mass migration from thecountryside (*contado)* to the cities. This migration in turn led to an acute housing shortage, that led artisans, both new and prior residents, to be evicted from their homes due to excessive rent, a process best exemplified in Cremona (Jacopetti, 1962‒1964, p. 154 n. 202).

The urbanization **of nearby** Pavia **continued** from the mid-sixteenth century to the 1590s and increased the town’s population from 5,000 to approximately 28,000 souls. This increase coincided with the emergence of a silk industry (Alleati, 1957, pp. 111‒126).

**Because** the incomes of some urbanites—craftsmen, merchants, professionals, military ranks, bureaucrats, landowners, priests, and governors— **were** always higher than peasant wages, a **rising** urbanization rate normally indicates a **rising** per capita product. A greater level of urbanization thus not only indicates a growth in industry and economic services but also requires that agricultural productivity meet the growing demand for food and raw materials (Malanima, 2009, pp. 201‒253).

These circumstances heightened the demand for money and credit in both the cities and countryside. Usury laws **made** moneylending an unprofitable business for wealthy Italian Christian merchants, especially **after** the establishment of the *monti di pietà* across Italy during the late fifteenth century, made banking and commercial activity illegitimate. Christian merchant bankers preferred to invest in commercial firms or **to** find private borrowers willing to give financial guarantees related to their privileged status. At the same time, **also because of the *monti di pietà*,** Italian pawnbrokers decreased in number. This gap in the private credit market was filled by experienced Jewish moneylenders from the Veneto and Germanic lands (Segre, 1973,p. 6; R. Toaff, 1989, pp. 291‒292; Botticini, 2000, 184). **Immigrant** Jews thus came to be regarded as an *una necessita assoluta* (Invernizzi, 1905, pp. 65‒84), particularly after the mid-sixteenth century, when the Counter-Reformation reinforced the prohibition against taking loans on interest.

The growing demand for cheap credit in the light of increased commercial and industrial activity, together with greater Church restrictions on usurious credit **by Christian lenders,** encouraged Jewish bankers, **who were non-Christians** to migrate to the Duchy.[[1]](#footnote-1) Already pushed by the Black Death (1348), the rate of Ashkenazi Jewish immigration began rising in the early Spanish period (ca. 1535).

 The papal bull *Cum Nimis Absurdum* issued in 1555 by Paul IV (1555-1559) (Ravid, 2012). Its orders renewed on April 19, 1566, by Pope Pius V (1566 – 1572). These Counter-Reformation edicts abolished rights given by previous Popes to violate the laws of the Church in exchange for the benefit the papal treasury received from the Jews (Sonne & ben Elnatan, 1954, 11 – 12; 25 – 26). The Edict of 1555 **restricted** the interest rate to 12 percent; segregate Jews by confined all Italian Jews to ghettos; distinguished Jews by obliging them to wear a yellow sign; enforced Jews to hear the priest’s sermon on Sunday. Jewish emigrants from the Papal State, Udine, Venice, and Tuscany **then** began settling in the Duchy of Milan; ruled by the King of Spain, this **Dutchy** was regarded as enemy territory by the Pope. Considered of great importance in supporting the king’s military needs, Philip II delayed the application of the **Counter-Reformation** edict for a full decade until September 1566, immediately after the bull re-issued by Pius V. (Meron, 1990; Cassen 2014).

 The Jewish migrants were not welcomed by **established** Jewish moneylenders, many of whom sought to prevent them **from** establishing **competitor** banks. **However,** in the absence of a monopoly over pawnbroking under the terms of the *condotta*, the **established lenders** could not prohibit other Jews from lending money. **Competition among the Jews lowered interest rates**. In the mid-sixteenth century, the Pavese and Cremonese communes demanded permits for more foreign Jewish lenders to lower the high interest charged by local Jewish bankers (Simonsohn, 1982‒1986, docs. 2695, 2810; Segre, 1973, p. 18; Invernizzi, 1905, p. 40). As the 1556 Jewish banking list evinces (Simonsohn, 1982‒1986, doc. 2991), new Jewish bankers arrived in the wake of the prohibition against Jewish lending in Mantua, Ferrara, and Venice (Bonetti, 1917, p. 30). Only an ordinance (*takkanah*) formulated by a periodic Italian Jewish synod regarding the monopoly of loan-banking, enacted in Cremona in 1582, suggests any monopoly over pawnbroking to eliminate competition between Jewish lenders. This was one of the few occasions on which the Jews of the Duchy of Milan cooperated with other Jewish communities in northern Italy (Piedmont, Mantua, and Ferrara) in matters of common interest and concern (Simonsohn, 1982–1986, p. xliv).

The arrival of new Jewish migrants **from central Italy** changed the internal ethnic composition of the local Jewish population, strengthening the **recently arrived** Jewish Italian**population** threatened its Ashkenazi veteran residents, to lose their majority. This circumstance is reflected in the Rabbinic *responsa*,which refers to Italian Jews as *moderni* (new) and the Ashkenazim as *vecchi* (old). The urbanization process likewise fueled Jewish migration from the *contadi* to the urban centers in the Duchy. The increasingly strict prohibitions against moneylending instituted by the Catholic Church accompanied a growing urban demand for credit**because of** the development of crafts industries. This **growth** in turn generated a housing crisis, particularly in Cremona, home to the Duchy’s largest Jewish community (see below).

The only precise information available regarding the number of Jews in the Duchy of Milan in this period relates to 1589‒1590. In the spring of 1589, Philip II ordered the governor of Milan to draw up a report on the Jews living in the Duchy. He wanted to know their numbers and the benefits to be gained by extending their Charter of Privileges for 12 more years. A census of householders and their dependents conducted by local authorities recorded 890 souls—between 3.6 and 4.2 percent of all Italian Jewry, estimated at between 21,000 and 25,000 in 1600 (Meron, .

Table 1 about here

**Table 1.** **Distribution of the Jewish Population by Town, the Duchy of Milan (1589-1590)**

|  |  |  |  |
| --- | --- | --- | --- |
| Town | Number of Jewish Households | Number of Jews | Percentage of Jewish Population in the Duchy |
| Cremona | 92 | 456 |  51.2 |
| Pavia | 23 | 123 |  13.8 |
| Lodi |  | 131 |  14.7 |
| Alessandria | 21 | 103 |  11.6 |
| Casalmaggiore | 10 | 71 |  8.0 |
| Caravaggio  |  | 6 |  0.7 |
| Total  |  | 890 | 100.0 |

Source: Meron 1993, 2008.

***2.2 The Condotta as Return for Symbolic capital***

A long-term, bilateral contract charter between the government and Jewish lenders, the *condotta* granted Jewish bankers and their dependents (family members, servants, and agents) the right of residency. **Thereby** it enabled them to live and work safely throughout the Duchy of Milan for five to 20 years*.* Renewable upon expiration, it was bolstered by an annual tax and a commitment to **prioritize lending** to the Christian populace (occasionally on favorable terms). First granted to Jewish bankers collectively by Duke Francesco Sforza II in 1533 (Simonsohn, 1956), the Condottapreserved their juridical status assojourners*—*i.e. granted them civic status based on temporary residency (Colorni, 1935).[[2]](#footnote-2) It was strictly maintained by the Spanish authorities, Carl V adopting it in both word and spirit (1535) while allowing Jews to live outside Milan (1541). Philip II continued to renew it until 1566 in lieu of a “reasonable” payment to the royal treasury, after which it was renewed sporadically and with limitations. Upon its expiry in 1587, Philip II issued an Edict of Expulsion in 1591.

The *condotta* officially recognized Jewish immigrants as being welcome for a commercial purpose. They were invited specifically “*per levare l’occasione del peccato a christiani circa la pravita usuraruacomme per accomodare li poveri et bisogni subditi*” (Simonsohn, 1956, p. 316)—i.e., to prevent Christians from sinning by taking usurious loans and helping poor and needy subjects. The condotta also regulated the interest Jews could charge those impoverished Christians. Up until 1548, this interest rate was freely adjusted in line with market laws and economic reality. As the country’s financial market weakened, however, the interest rates rose*.* The interest-rate ceiling was then limited to 35 percent [per annum], until prohibited entirely in 1566. At this point, the interest rate was reset to 12 percent.

In notarized loan contracts, which primarily followed the prohibition against moneylending at interest in 1566, the interest rate specified was ambiguous (Meron, 1992, p. 70). In loan contracts disguised as contracts for the selling of goods, it was included in the price of the goods. Loan contracts were drawn up under the guise of commercial partnerships (Simonsohn, 1982­‒1986, docs. 3648, 4166). Alternatively, a barter-based transaction could be conducted. According to a 1589 contract between Amadio d’Urbino di Simone and his Christian borrowers, for example, the former agreed to provide heads of cattle for the latter to take care of, supplying Amadio with their products (milk, etc.) (Simonsohn, 1982­‒1986, doc.4028).

The Counter-Reformation **prohibited Jewish moneylenders** charging interest on loans. Catholic reactionaries revived the argument that interest above a certain rate **represented** usury. Introducing legal but very low rates of interest, they took all the profit out of moneylending, thus wiping it out as a livelihood (Meron, 1990).

***2.3 Social Capital and Residential concentrations***

As urbanites, Jews sought out the Duchy’s large communes, Cremona, Pavia, Lodi, Alessandria, and Como. Serving as metropolitan centers for outlying villages (*contadi*), these **towns** constituted fertile ground for the establishment of large banks, whose agents and underwriters extended their activity to over forty nearby localities. Jews circumvented the ban against Jewish residence in Milan, a major commercial center, by settling in a “belt” around the city. From Abbiategrasso, Binasco, Monza, Melegnano, and Vigevano, they had easy access to the city, where their credit **firms** were based. Determined by security and political factors, the map of Jewish settlement thus reflected the opportunity of making good profits from banking by penetrating Milan’s commercial heart (Meron, 2008).

Jewish urban settlement was also a function of the ready access it provided to potential customers, including villagers visiting the town from outlying areas. Working primarily from home, bankers appear to have chosen their place of residence in **conformity with** the advice offered by the Jewish author of *The Book of the Lender and the Borrower*: Stay close to the town center and/or crossroads. Despite the lack of ghettos in the Duchy, which was unusual through Italy following the Papal edict of 1566, the Jewish community remained physically as well as religiously close-knit (Meron, 1993).

In Cremona in 1576, for example, the Jewish population was concentrated in three principal areas: around the city’s new communal center, close to the traditional town center and main cathedral, and around the road leading to Milan. In the S. Sofia quarter near the communal center, Jews outnumbered their Christian neighbors. The October‒November 1576 *descrittione delle bocche* census (literally, the number of those consuming wheat) listed 179 of Cremona’s 307 Jews (58 percent) as residing within S. Sofia quarter (Simonsohn, 1982‒1986, doc. 3693; Segre, 1973, pp. 35, 71). This area was also home to the synagogue, the heart of Jewish communal life. In 1571, the local church rector complained that he could not repair **his church** because the majority of the parish populace was Jewish, and he was thus unable to raise the 100 *ducats* the **repairs** would cost. **The Jews were more prosperous than their Christian neighbors** and could charge excessive rent (Jacopetti, 1962 – 1964, p. 154 n.202)**.** In 1584, the houses in the Jewish residential areas were considered the most elegant in Cremona (Meron, 1993, 2008).

The Jewish communities of Pavia and Lodi were similarly concentrated in upscale residential quarters: the city center and close to the major cathedrals and financial area. The premises **that** the Jewish community rented in Milan as a hostel for co-religionists visiting on business were likewise located in the heart of the city. The Alessandrian Jewish community opposed attempts to force them segregate in a ghetto on the grounds that the chosen site was not sufficiently central. Although the Jews were moved to *contrada Correggio* in 1585, no ghetto was formally established. Jews and Christians continued to share a common well and courtyard in the new quarter (Meron, 1993, 2008).

Residential concentration promoted occupational clustering, which further aided the development and maintenance of in-group social capital. However, after the 1566 edict prohibiting moneylending, which threatened Jewish existence, residential concentration became a sign of the weakening economic power of the Jewish community. Between 1566 and 1590, the smaller settlements completely disappeared; Milanese Jewry were confined to four major communities (Cremona, Lodi, Alessandria, and Pavia) and two smaller ones (Casalmaggiore and Caravaggio) by the end of the Spanish period. On the eve of the expulsion Edict (10 April, 1597), the Cremonese Jewish community had spread to the new urban center, close to the Spanish local governor’s palace (Meron, 1993, 2008).

***2.4 Human capital: Literacy, skills, and moneylending***

Their widespread literacy in the frame of a well-developed religious education gave Jewish immigrants from German lands a comparative advantage over non-Jews in skilled urban occupations (Botticini & Eckstein, 2005). Jewish migrants to the Duchy regenerated Jewish culture by printing Jewish books in Cremona. This flourishing was short lived, however (1556‒1560, 1565‒1567, 1576). The majority of the 40 Hebrew books and editions published during the first two periods were printed by Vincenzo Conti: those in 1576 by Cristoforo Draconi. Although neither was Jewish, both employed Jewish workmen, proofreaders, and editors. All their work **was also** commissioned and financed by Jews. The commercial success they enjoyed was chiefly due to the temporary halt in Hebrew printing in Venice; when that resumed, the Cremonese press went out of business. The latter also suffered from Church censorship and the confiscation and burning of Hebrew books in 1559 (Benayahu, 1971; Simonsohn, 1982‒1986, pp. xlvi‒xlviii).

***2.4.1 Education***

Jewish bankers in the Duchy highly valued literacy, regarding the ability to write in Hebrew and Italian **as** essential for the banking profession. **Literacy in Hebrew** and Italian (and sometimes in Latin) was a necessary business skill **because** Italian Jewish bankers kept their accounts in both languages and **issued** bills for Jewish and state courts alike to meet the obligations of both legal systems. Although Jewish banker Jacob de Levitis, Pavia, was conducted (1552 – 1555) in Italian, yet administrative authorities of Cremona and Pavia demanded (1558,1561) from Jewish moneylenders to keep their books of pledges in Italian or Latin to enable the authorities to audit and prevent forgeries (Simonsohn, 1982 – 1986, docs. 2952, 2953, 3062, 3187). Calligraphy **skill** in Hebrew was gained **by** copying letters, some boys being sent outside the country to teachers who had fled persecution **caused by** **hostile Christian** sermons. Significantly, few Jewish women were literate in Hebrew, however (Boksenboim, 1983, pp. 9‒15).

 Moneylending know-how was passed down from generation to generation through apprenticeship. *The Book of the Moneylender and the Borrower* contains instructions for the establishment and operation of a loan shop in the Venice area dated to the fifteenth-century. Written in Hebrew, this **book** served as a useful guide for pawn shop apprentices hoping to become bankers, emphasizing the ability to appraise objects and determine the size of the loan they could **offer** (Bonfil, 2015, pp. 95‒115). Composed in the holy tongue, it preserved the professional secrets of Jewish moneylending, thereby becoming part of the vocational culture of Jewish banking circles.

In the wake of the prohibition against moneylending **in 1566,** some Jews turned to inventing or engineering schemes and projects accessible to Jewish individual bankers even prior to 1566. In 1563, Israel of Pavia, also known as Donato de Levitiis, invented a new system for milling grain, **and sold** it to another Jew for 600 gold scudi. The Yeshiva principal and Hebrew publisher R. Joseph Ottolenghi similarly presented the King of Spain with a “more economical method” of forging steel in 1559. In 1591, Simone Vitale-Sacerdote submitted **a plan for a** desalination plant to Madrid (Simonsohn, 1982‒1986, docs. 3260, 3453, 4118).

* 1. ***Social capital: Communal and spatial networks***

In addition to granting Jewish bankers and their dependents the right to settle, live, and work safely within the state, the *condotta* also guaranteed Jewish forms of life, such as kosher slaughtering and land for Jewish cemeteries (Simonsohn, 1956). Establishing the Jewish community in the Duchy as an institution for tax purposes, it also enabled the Jews to provide business-friendly *ethnic* communal resources. Its mutual aid bodies strengthened internal Jewish solidarity and preserved Jewish culture; its big bankers served both as leaders within the **Jewish** community and as **the community’s** representatives to the authorities.

Jewish-owned banks were largely family firms, sharing tax payments to the authorities based on the tax regulations including assessments for tax purposes (*seder ha-hashba’a ve-ha’arakha*). Accordingly, the list of taxpayers was handed over to the assessors by the executive officers (*massari).* Taxpayers had to declare their property under an oath. The elected assessors of the Jewish community in the Duchy asked two rabbis to administer an oath to every taxpayer taken in the cemetery. Taxpayers, excluding owners of property not exceeding 300*scudi,* had to appear before the assessors. If they suspected a taxpayer of having made a false declaration, they were to act in conjunction with two members of the executive council. With the help of the non-Jewish magistrate, they were to search the suspect's house, examine his book-keeping and list his property. If their suspicion was found to be justified, they were empowered to punish the culprit as they saw fit. The regulations were to be valid for four years. Consequently, the taxes were distributed amongst local Jewish bankers, according their bank value, as we see in Pavia where the de Levitis brothers Leone (20%) and Donato (21%) included the main taxpayers. (Simonsohn, 1982‒1986, vol. 2, pp. xli‒xliii; docs. 3112, 3125, 3320).

Jewish lenders enjoyed two competitive advantages in all rural credit markets. First, their wealth consisted primarily of cash and easy-to-sell objects pledged as pawns. Jewish wealth not being primarily invested in land, it was generally unaffected by catastrophes or **climatic** disasters. Second, Jewish migrant lenders possessed vast social capital. Their close familial ties with their co-religionists fostered **international** social relationships and economic partnerships that enabled them to share risks and provide diplomatic services to the authorities. Their links with the Jews across the Mediterranean, particularly those expelled from Spain who settled in North Africa, aided them in gaining economic benefits and offering diplomatic services (Segre, 1973, p. 54).

 Partnership with family members and trusted local co-religionists enabled Jewish bankers to operate banks and raise the capital necessary to respond to the growing demand for credit in rural markets. In 1560, Michele de Ottolengo’s bank in Guardamiglio Piacentino, a village (today a commune) in the province of Lodi, was handed over to the management of one Matheo de Baseva, a local Jewish clerk. The bank’s capital was 1,500 *scudi d’oro*, letters of credit, and pawns. In 1567, his maternal relative, Moise de Alperon, became a partner, providing 3,000 scudi in equity. Mandolino Ottolengo, the attorney of his mother, the late Michele’s widow, invested an additional 2,600 scudi (Simonsohn, 1982‒1986, docs. 3358, 3476) As the bank’s capital increased, it **bestowed access to larger credit markets upon** the growing village. **Expanded credit access enhanced local economic growth.**

***2.6 Banking vocational culture: Family firms, in-marriage, and trans-generational accumulation***

The banking circles in the Duchy involved around two-thirds of the Jewish community (Meron, 1998). The prominent family banks including those run by Emanuele Carmini (Cremona, 1540s), Moise Levi, son of the late Marco Levi (Cremona, 1560s), Leone de Levitis, son of the late Jacob (Pavia, 1560s), Michele Ottolengo, son of the late Donato Ottolengo (Lodi, 1560s), and Simone Sacerdote, son of the late Vitale Sacerdote (Allesandria). These directors also served as Jewish representatives to the authorities (Meron, 1992).

Just as **endogamous** marriages preserved the ethnic group, so they also maintained Jewish banking partnerships and class hierarchies**within** the Jewish community, accumulated capital was kept within family banks through dowries. **From the fifteenth century,** marriages were arranged with the goal of strengthening the ties between Jewish bankers within and without the Duchy (Meron, 1998; Antoniazzi Villa, 1986; A. Toaff, 1989, pp. 22‒23). Consiglio Carmini married Mandolino de Ottolengo’s sister in 1571‒1572 (Simonsohn, 1982‒1986, doc. 3520; Boksenboim, 1983, pp. 32‒33) and Perla, daughter of Simone de Pavia, married Simone de Levi (known as Volpino), son of the late Moise, of Cremona in 1571 (Simonsohn, 1982‒1986, doc. 3880). Motivated by a desire to centralize financial power within the principal lending families, these marriages cemented business ties between the richest Jewish families in the Duchy. Rather than weakening them financially, dowries helped conserve their financial **strength.** Just as much as securing additional assets, **within class marriages** guaranteed the retention of existing assets (Meron, 1998).

Offsetting dowries served to balance intermarried families in financial terms, the son and daughter of one banker marrying the daughter and son of another for identical sums. The dowries of Lipit, daughter of Abram de Laude of Cremona, who married Moise de Suavi, the son of Simone of Monza, and Anna, daughter of Simone de Suavi, who married Gresino de Laude, son of Jacob of Cremona, partner to his brother Abraam, were both [in the amount of] 1,350 Venetian *ducati,* for example(1572) (Simonsohn, 1982‒1986, docs. 3554, 3555).

Class endogamy preserved social capital, financial capital, and the entrepreneurial culture among the Jewish elite. Jewish bankers registered wills and dowries with notaries. The dowry, considered as a type of “pre-mortem inheritance” among both Jewish and non-Jewish premodern societies (Goody, 1973) Within the Jewish bankers’ society in the Duchy, dowry was considered the daughter’s share in her father’s inheritance, being the woman’s private possession (Boksenboim, 1983, p. 342). Class endogamy perpetuated the gap not only between rich and poor **Jews** (Glazer, 1979), but also between scholars and laymen; transmission of rabbinic knowledge, essential to the preservation of Jewish identity and its constant renewal, was ensured through the preservation of rabbinic lineages as a result of the marriage of rabbinic children. (Simonsohn, 1982‒1986, doc. 3610; Meron, 1998, p. 136).

 The vocational culture of Jewish bankers in the Duchy **included instruction on how to transfer a business to the next generation***.* Notarial records from the 1570s onwards reveal the legacy of the great banker Michele de Ottolengo of Lodi, managed by his son, the banker Mandolino de Ottolengo and his mother Dulcia Alperon, for example. (Simonsohn, 1982‒1986, docs. 3377, 3419, 3427). When Moise de Suavi came of age, his father, Simone Suavi of Monza, passed on to him the dowry of Moise’s wife, Lipit (1572), which included a credit bank in Masserano near Biella, on the border with Piedmont, northwest Milan. Although Jews were prohibited to own real property in cities, the dowry **also included** the right to dwell in the building housing the bank, credit letters, and movable possessions. (Simonsohn, 1982‒1986, docs. 3555, 3559).

***2.7 Jewish moneylending practices***

Jewish money trade flourished in the Duchy of Milan until the Counter-Reformation edict prohibited usurious lending in 1566 (Meron, 1990, 1992). The Condotta regulated in detail the lending activity. The following discussion would focus on lending in practice.

*2.7.1 Private sector*

2.7.1.1. Lending patterns

As throughout Italy, private Jewish banks in Milan**(**Carter & Goldthwaite, 2013, pp. 122‒204), offered credit in two principal forms—pawning (*prestito su pegno*) and **by contract** (*prestito chirografario*). Loan contracts were drawn up for longer terms and for a larger amount than loans against pawns; l**oan contracts constituted** approximately a third of all loans (Meron, 1992, pp. 71‒72).[[3]](#footnote-3) The prevalence of loans against pawns (in line with *The Book of the Moneylender and the Borrower*’s advice) ensured that securities were obtained for repayment of both principal and interest. Likewise, the recording of the size of the loan in lire—a fictitious currency for calculation purposes—helped lenders gain from profitable arbitrage opportunities, taking advantage of the differing prices in the contemporary monetary systems (a practice also recommended by *The Book of the Moneylender and the Borrower*) (Roth, 1955; Bonfil, 2015, p. 114).[[4]](#footnote-4)

2.7.1.2 **Evaluating risks: Clientele and their Pawns, collateral, and guarantees**

Pledges were at least twice the value of loans (Simonsohn, 1977, p. 182) to guarantee repayment of the principal plus the accumulated interest. In 1561, the Commune of Cremona demanded that Jewish lenders reduce interest rates and limit the value of pledges to a maximum of 12 percent above the size of the loan (Simonsohn, 1982‒1986, doc. 3187; Segre, 1973, pp. 8‒12). **This regulation would have ruined the business but** protected Jewish lenders against any **loss** by regulating the auction of **defaulted** pawns *(*Simonsohn, 1956).

Jewish lenders appear to have accepted various types of collateral in line with the borrower’s financial status. **Because they are bad credit risks,** poor **people** generally borrowed against pawns, **and in this manner became more frequent listees** in the Jewish account books. As the notarial records evince, l**ow**-risk rich households enjoyed more favorable collateral requirements (Meron, 1992).

The type of collateral **pledged** similarly reflected the borrower’s financial standing. Here, too, the poor who borrowed against pawns were more often listed in the Jewish account books, the rich providing written promises of repayment or notarial deeds (Botticini, 2000, 174). **Because** Jewish moneylenders **did not have** the luxury of choosing clients based on **their** solvency, **they were** forced to charge higher interest rates than the ceiling set in the charters. **Therefore,** they had carefully to assess risks and request a pledge, pawn, collateral, or guarantee. Microdata from published notarial documents indicates that the collaterals pledged with Jewish moneylenders included movable objects **such as** a used garment valued at 5 scudi (about 30 lire), a pair of used gold silk boots belonging to a nobleman pledged for a debt of 13 *scudi d’oro* (about 78 lire), 5 balls of wool for a loan of 533 lira **as well as** farm animals, whose work cleared a debt of 16 *ducati* (about 96 *lire*). All these borrowers appear to have belonged to the lower- to upper-middle class, the annual salary of the contemporary average low-income family ranging between 20 and 40 scudi, food expenses lying between 70 and 80 percent (Braudel, 1976, p. 458).

Legal proceedings between Jewish creditors and their debtors evince that debts could also be cleared in agricultural produce, confiscation of farm animals, seizure of salaries, foreclosure of real estate, and sale fees as Jews being forbidden to own real estate. Despite being prohibited from trading in grain, Jewish moneylenders in Alessandria were allowed to receive crops from farmers who defaulted on their debts and sell them in town. In 1565, Angelo de Levi of Cassalmagiore lent a Cremonese Christian a sum for a collateral of 900 sestari of wheat (a sestare equalling 5 lire, 11 soldi, 8 dinari). This quantity of wheat was a commercial equivalent to the annual per capita consumption of 150 souls in the Duchy (Meron, 1992, p. 76). Artisans repaid their debts with raw materials for the textile industry and textile manufacturing items: in 1572, Simone de Suavi received sheets worth 250 lire in payment of a debt (Meron, 1992, p. 77).

The *condotta* prevented sojourning Jews from acquiring land in the Duchy through the proceeds of moneylending. They themselves were also reluctant to invest their wealth in land, preferring liquid assets that enabled them to leave town quickly, whether voluntarily or under threat. When they become encumbered with real estate in the form of debt repayment, they sought to sell property swiftly, transferring the proceeds to lenders to pay their debt. In 1556, Josef de Levi Cremona came into possession of a plot he then sold to clear a debt for a 1549 loan valued at 543 lire, 2 soldi at an interest rate of 30 percent. In accord with a debt settlement agreement, a group of Milanese nobles transferred the lease fees on their properties to brothers Camillo and Orazio della Somalia and banker Raphael Carmini of Cremona for 440 scudi d’oro,to be repaid before December 1586. Other examples confirm the Cremona commune’s claim in the early 1560s that Jewish bankers had flooded the city with “mortgages” (Meron, 1992, pp. 77‒78).

The socio-economic profile of the Jewish banking clienteleranged from artisans and professionals to Spanish soldiers, Christian priests, and **Italian** nobles. **Jewish lending helped households in rural and urban environments maintain their consumption levels. Jewish loans enabled artisans to purchase raw materials and working capital and students and lecturers to acquire books** (Tables 2 and Table 3). The only group excluded from this circle of **Jewish** clients were the poor in need of charity. While large Christian merchant-bankers had no need of Jewish loan services, the **poor** could not provide any **loan** guarantees. The poor turned to Christian charitable foundations for micro-scale loans from the *monti di pietà*.

Established by ducal proclamation on 1 July 1496 **with** the first statute issued by Ludovico Maria Sforza in June 1497, these *monti di pieta* were local credit institutions organized by town governments that collected civic contributions. **They then lent these charitable contributions** at terms ranging from five to 15 percent per annum (Meron, 1992). Created as an alternative, cheaper means of credit for than Jewish moneylenders, their clientele were the poor and needy **to whom micro-loans were extended for charitable purposes** (*prestito elemosinario*) (Toaff, 1988, pp. 128‒129; Antoniazzi Villa, 1986, p. 60). Operating primarily in the towns, their customer base was limited to the urban poor. Villagers only had recourse to Jewish bankers (Meron, 1990).

Jewish lenders and *monti di pietà* offered complementary rather than competitive services **because** the *monti* found it difficult to raise enough funds to satisfy the demand for loans since their depositors wereexposed to the same crises **as their borrowers** (Botticini, 2000).

2.7.1.3 **The scope of contractual Jewish banking**

 Microdata drawn from published notarial documents of prominent Jewish bankers enables us to analyze contract credit activity based on the size of the loan in *lire*, from small scale (up to 100 lire), medium (101‒400 lire), large (401‒1000), to very large (over 1000 lire). The majority of loans granted by prominent Jewish bankers were small to medium scale. Comparative analysis by town (independent variable) indicates that size was also **influenced by** local demand. Whilethe Pavese population, swollen by the students and faculty at the local university, was **of little economic consequence**, Cremona’s geographical proximity to Lodi impacted the similarity between the scope of the credit activity in both towns. The relatively high rates of medium-scale and large-scale loans in both Cremona and Lodi was thanks to the size of the local markets as well as their privileged trading conditions. As border towns, Cremona benefited from preferential trading rights with neighboring countries; Lodi **was exempted** from customs duties on incoming and outgoing goods by the Spanish government (Meron, 1992, pp. 79‒85).

 Jewish credit activity was far less extensive than that of Christian bankers who, employing sophisticated loan techniques to disguise their **irreligious** practices, were able to finance international trade. The capital in Jewish loan activity **was, however,** recycled more quickly, and so impacted the everyday life in all sectors of the populace (Cassandro, 1979, pp. 19‒21; Poliakov, 1977, p. 110).

**2.7.1.4 Rates of interest**

 The high interest rates guaranteed Jewish borrowers advantageous returns even from t**he short**-term loans **that were** most of their business (Meron, 1992). **The** top interest*-*rate in Pavia and Cremona ranged from 40 to 45 percent, but in smaller towns (villages) in Caravaggio **rates fluctuated** between 30 and 60 percent (1539‒1549). In Abbiategrasso, the rates ranged between 40 percent and 60 percent (1545) (Segre, 1973, p. 8). **As in** Florence and Venice

where Jews likely faced more competition from Christian banks, the interest-rate ceiling was lower in larger towns compare with smaller towns under their dominion (Botticini, 2000, pp. 183, 185). Regulating Jewish moneylending, the communes of Cremona, Lodi and Pavia were successfully lowered interest rates for their own citizens. However, the presence of the Jewish moneylenders in their towns enabled town authorities not only to finance their deficits, but also to tax their own inhabitants sharing with them the imposed Spanish Crown taxes. The distant small-**town authorities (Abbiategraso and Caravaggio)** allowed Jewish lenders to **charge** higher interest rates, apparently due to the higher risk taken by these Jewish lenders.

Yet, according to contemporary Milanese Senators, Christians also lent money, but usually at higher interest rates and under worse conditions than the Jews did (Cassen, 2014, p. 78).

2.7.2 ***Public sector***

Jewish lenders facilitated the public finances of both the Spanish authorities and the Italian communes in which they resided. Those living in the main towns of the Duchy shared risks with one other, thus enabling larger loans. In 1555, Jewish lenders loaned 6,544 scudi to the **Spanish** crown financing its military expenses. While up until 1565 they charged five percent interest, between 1565 and 1591 the new law governing rents, (applied also on Jewish moneylenders), meant they could charge eight percent on the principal and five percent on the accumulated interest. By 1594, the debt owed to the Jews by the Spanish Exchequer, estimated at 32,000 scudi (Meron, 1990, p. 382; Cassen, 2014, p. 81).

 The Spanish crown regarded the Jews as a useful source for loans to relieve the tax burden under which the Duchy of Milan labored (Rota, 1906,pp. 352‒353, 362‒363). Considered the Signoria’s *longa manus,* Jewish lenders became necessitated in lending of money to the population and communes. Consequently, Jewish lenders in undirectedly boosted public revenues. Their help in financing global taxes far outweighed their proportionate size of the population. In Cremona, for example, while Jews only constituted one percent of the populace, Jewish lenders supplied 20 percent of the global tax in 1557.

Jewish loans to municipalities in the Duchy of Milan went to the purchase of wheat, **economic** development, and construction. **Jews financed** dams on the Po **River** (Simonsohn, 1982‒1986, doc. 3424; Bonetti, 1917, p. 42), turrets “*in servitium sanitates*” on the Porta Cremonese to monitor plague arrivals (1576) (Simonsohn, 1982‒1986, vol. 3, 3694), and prisons (Segre, 1973, p. 76). Their repeated requests for the payment of defaulted loans testify to the difficulties the Jews faced in securing guarantees for municipal contractual loans, which thus effectively became grants (Meron, 1990, pp. 382‒383).

Because Jewish lenders shared risks with their co-religionists in other towns via business partnerships, they were able to give their borrowers access to larger credit markets. In 1552, a Cremonese Jewish banker raised funds from Jewish bankers in Mantua and Venice for a loan of 1,500 scudi to finance supplies for the Spanish army. The **crown’s** silver and gold vessels were mortgaged with Isaac Bondi of Ferrara and Josef Levi of Mantua (Simonsohn, 1982‒1986, docs. 2808, 2809, 2976). **In effect, the entire Jewish financial industry of northern Italy co-generated these big loans.**

The Jewish Alessandrian banker Vitale Sacerdote, a Sephardic Jew, made considerable funds available to the Spanish exchequer between 1551 and 1561. Most likely arriving in Italy from Spain around 1492 (Cassen, 2017, p. 326), he established a bank and became active in the wheat trade. The family provided the Spanish king with loans to finance the salaries of his **armies** (Simonsohn, 1982‒1986, docs. 2778, 2865, 2891): in 1596, the exchequer owed Vitale’s heirs 12,141 scudi and 65 soldi, a third of the exchequer’s debt to the Jewish community in the Duchy of Milan (Simonsohn, 1982‒1986, docs. 3376, 3448, 3464, 3509, 3513, 3657, 3932, 4107, 4268).

Through their widespread economic and social networks, Jewish lenders provided the authorities with access to external sources of credit, also supplying diplomatic services **via their brethren in the diaspora, especially the North African communities** (Segre, 1973, p. 54). Jewish bankers also proposed new methods for streamlining tax collection and increasing treasury revenues to the Spanish governor (Simonsohn, 1982‒1986, docs. 3423, 3453). A summary of the relative importance of Jewish economic activities in the Duchy drawn up by the customs authorities in 1589 included in a memorandum **that justified** the Jewish right to live in the state (Simonsohn, 1982‒1986, doc. 4038) **on the grounds of their indispensable services.**

***2.8******Dynamics and transitions:* Monti di pietà*, Monte Nuova (Monte di S. Ambrogio), and the expulsion***

The money trade thrived in Milan until the practice of lending money at interest was abolished in 1566, at which point Jewish moneylending virtually disappeared. In the aftermath of the edict and the ensuing crisis, Jewish moneylenders sought to disguise the interest they charged to their customers by issuing fictitious contracts of sale. Typically consisting of a credit transaction in jewelry with repayment in instalments, these contracts gave the impression that Jewish bankers were operating retail banks (*banchi a minuto*). **That suited the customers.** The absence of Catholic credit facilities led many **Italians** to search for legal loopholes in the **usury stature. As a result,** Jewish credit thus continued to be extended **despite the statute, but always** disguised as selling on credit, trade in precious stones, or the purchase of gold and silver on credit (Meron, 1990). Several Jews also ran lotteries (Simonsohn, 1982‒1986, docs. 4301, 4304).

Already perceived as potential merchants by their Christian counterparts due to the accumulation of **pawned pledges** in their storeroom, **Jewish** mercantile activity came to complement **Jewish** moneylending (Cassandro, 1979, p. 15) Jews became embroiled in a lengthy struggle with urban Christian merchants that lasted through the Spanish period. The Christian merchants demanded that the authorities prevent Jewish moneylenders from taking receipt of finished products and raw materials associated with the developing textile industry (Segre, 1973, pp. 6, 28, 47). During the 1560s, the Jews of the Duchy sought to develop trade with the Levant, being encouraged in this commercial enterprise by the governments of Venice, Piedmont, Tuscany, etc. This **trade** became a lucrative source of Jewish income (Simonsohn, 1982–1986, docs. 3276, 3303, 3455).

The Counter-Reformation **protested** these failed credit markets. In Borromean Milan, **militant** preachers incited the inhabitants against greedy town speculators and their mercantile activities. Preachers not only denounced usurious loans but also charged that Jews were motivated by an immoral desire to profit from moneylending, which was true **except that Jews did not regard this business as immoral.** Their heavy involvement with the Spanish crown incurring more risk than profit, like others, Jewish bankers were subject to its serial bankruptcy between 1550 and 1570. The government’s suspension of debts impoverished even such Jewish major bankers as Vitale Sacerdoti and his son Mattia (Meron, 1990, pp. 379‒383).

The expulsion of the Jews from Milan coincided with the establishment of the Milanese Public Bank. The fate of the Jewish moneylenders in the Duchy was decided with the founding of the Monte Nuovo in the 1590s on behalf of the Christian bourgeoisie. Supported by the bourgeois legalist Carranza, this bank finally resolved the power struggle between Christian and Jewish merchants by making non-Jewish credit available. When the 1591 decree of expulsion was issued, the founder of the S. Ambrogio Bank happened to be visiting Madrid. **Although** permitted to offer *cartulario* (free deposits), it only began flourishing when authorized to issue *luoghi* (bonds) (1597). Once it became fully operational, however, the **Milanese Public Bank** replaced the credit facilities formerly provided by private bankers—including Jews (Rota, 1906, p. 372; Poliakov, 1977, pp. 162‒165; Meron, 1990, pp. 370‒371).

These **economic** developments were accompanied by fierce political and economic struggles. Fear of economic competition from urban traders, as well as political struggles between local Milanese authorities, local religious institution led by Cardinal Borromeo, and the Spanish authorities, thus also played a part in the expulsion of the Milanese Jewish community. Rather than exploiting the expulsion as an opportunity to expropriate Jewish wealth, Philip II insisted on repaying the state’s debts, agreeing to delay the expulsion to precisely a month after the repayment of their debts (1591‒1597). His behavior might reveal a shift in attitude toward public finances from medieval to early modern era. (Cassen, 2014).

1. **Case study 2: Jewish mercantile immigrants in Livorno, 1593‒1650**

As private banking declined in the face of the emergence of modern Christian public credit alternatives, international trade began to flourish. During the *longue* *durée* sixteenth century, Mediterranean ports started to stagnate as trade routes began opening to the Atlantic and Indian Oceans in the wake of new geographic discoveries by West European powers and the expansion of mercantilism. Between 1530 and 1650, state authorities throughout Western Europe thus sought to benefit from the commercial experience of Iberian Jewish exiles, granting them generous privileges to encourage them to immigrate. **Already in** 1569/1570, the Duke of Savoy, Emmanuel Philibert, **who was** Philip II’s cousin and Spanish governor of the Netherlands from 1550 to 1559, attempted to attract former Jewish conversos from Iberian Peninsula, as well as Jewish merchants from Constantinople, thanks to their reputation as international traders, to emigrate to Savoy. In 1572, he issued a privilege granting trading and banking rights and protection from inquisitorial proceedings to all Jews, including Spanish and Portuguese Marranos. In this way he sought to attract wealthy Jews from Spain and Portugal and Jewish merchants from Constantinople to help create a trading hub in Villefranche that would boost Nice’s development as a port. In order to achieve this goal, He hired Simon Sacerdote of Alessandria (see above), whom he sent with a letter from Emmanuel Philibert to his friend Joseph Nasi, an influential Jew in the Sultan court, Constantinople.[[5]](#footnote-5) Philibert, became acquainted with Joseph Nasi, former New Christian, a wealthy entrepreneur, emigrated (1553) from Portugal via Antwerp to the Ottoman Empire where he established, together with his mother in-law Dona Gracia Mendes, a Banking and international commercial House. His position in the Sultan court enabled him to help Jews not only in the Ottoman Empire but also out of the Empire. Although Nasi became a counsellor to the Ottoman Sultan, a position that enabled him to obtain and transmit intelligence that ensured advantageous trading relations with Turkey to the Jews who settled in Villefranche. However, the complex plan failed due to resistance from the Spanish court. Among others, Philip II objected not only to New Christians reverting to Judaism but also to the freedom of trade and residence granted to Turks, Moors, Persians, and other non-Christians in Christian lands (Ravid, 1991; Cassen, 2017).

Thus, the religious enforcement made the symbolic capital of former New Christian to be irrelevant in other Spanish lands. The case of Livorno will emphasize the liberal atmosphere into which these Jews immigrated.

***3****..****1 Livorno: The development of a new free port in a cosmopolitan environment***

Between 1591 and 1593, the Medici in Tuscany invited Ponentine (former conversos) and Levantine Jews to settle in Livorno, guaranteed them the protection of the inquisition allowing them to return to Judaism. In 1593 Duke Cosimo I issued a charter called *Livornina* in 1593 for his new port of Livorno, offering them favourable conditions in the hope that they would boost the growing port economy (Bregoli, 2011, pp. 45‒52). The Medici dukes **planned** to establish a new port in Livorno to replace Pisa, **which was** plagued by the heavy sedimentation of the Arno River. At the same time Livorno port posed a competition to Venice for transit ports for Levant, and also to the Venetian Charter from 1589, also designed to attract the former Jewish Portuguese traders. **Their plan** met with immediate success*.* Conveniently located **on the west coast of Tuscany***,* directly across the Mediterranean from France and Spain, Livorno provided easier access for ships entering the Mediterranean from the Atlantic ports of Spain, France, England, and Holland, the Americas and Asia **than did Pisa**. Saving them the longer journey around southern Italy to Adriatic Ancona and Venice, Livorno was also convenient for Dutch, English, and French ships bound for the eastern Mediterranean, making it their only Italian port of call (Tazzara 2017).

The hereditary ruler of Tuscany who laid the foundations for a new municipalstatute in 1545, Cosimo I, a scion of the fabled Medici family of bankers (ruled 1537–1574), granted Livorno greater fiscal benefits and more juridical and administrative autonomy than any other town in the state. Constructing a new harbor in 1571, he transformed Livorno from a fishing village into a long-distance Mediterranean trading hub. To promote international trade and protect merchants, ship captains, and their goods, the city was awarded free port status (*portofranco*). Thanks to this legal status, Livorno enjoyed light customs duties, political neutrality, and toleration of foreigners and minorities (Trivellato, 2009, p. 108). The policy endured for a century. Ferdinando II de Medici, (Cosimo I grandson), the Grand Duke of Tuscany (1610 – 1670) declared the city’s neutrality in 1646, assured it a secure and steady flow of goods that allowed it to prosper despite plagues, famines, and wars. Creating quarantine facilities for goods from regions suspected of plague and large storage areas for grain during times of famine, it also continued to operate even when war disrupted the commercial traffic of rival port cities.

By the middle of the seventeenth century, Livorno had replaced Venice as the principal Dutch and English commercial hub in the Mediterranean. Its port infrastructures included a new harbour (1571), arsenal, and storage facilities, it levied low customs duties, and was neutral in warfare (1646). Its *Livornina* (certificate of rights; see below) attracted merchants of various nations, including Greeks, Moors, Armenians, Persians etc. **Livorno** became one of the most important centers for the distribution of wares from Northern Europe and the American colonies to the Maghreb and Ottoman Empire and from the Levant to Amsterdam and London. The chief agents responsible for the distribution of these goods in North Africa and the Levant were Sephardi merchants based in Livorno. The Mediterranean maintained its global relevance with respect to the exchange of Tyrrhenian coral and Indian diamonds. Livornese Sephardi firms dominated the city’strade in these luxury goods. This **domination** in turn enabled them to create networks with both Jews and non-Jews across the Ottoman Empire, Portugal, and the Indian subcontinent (Trivellato, 2009, pp. 74‒84; Bregoli, 2011, pp. 51‒52; Goldthwaite, 2009, pp. 167‒169).

Livorno was also the ostrich-feather *entrepôt* and hub of the Mediterranean Jewish feather trade. Seventy-five percent of the **wholesale** ostrich plumes exported from North Africa arrived in Livorno where they were marketed by four or five Jewish firms that commanded large profits (Abrevaya Stein, 2008, p. 91). Insurance policy data evinces that Jewish merchant based in Livorno controlled between 83 and 94 percent of the exports from Livorno to North Africa between 1765 and 1790—in contrast to 11‒35 percent of the exports to the Levant (Filippini, 1998; Reiman, 2017, p. 49 n. 55).

***3.2 Jewish migrant demographic resources***

Drawn by both economic conditions and the generous charter, Jews and former Iberian New Christians began flocking to Livorno so the Jewish community expanded from 134 individuals in 1601 to 1250 in 1645. According to the 1738 census, it numbered 3,476 souls, this figure rising to 4,327 in 1784, 4,797 in 1806, and around 5,338 in 1809. Constituting 9‒12% of the population (Ravid, 1991, pp. 155‒156; Bregoli, 2011, p. 50; Filippini, 1993), Jewish Livorno became a thriving merchant hub **in the Mediterranean.**

Although no ghettos were established in Livorno or Pisa (in contrast to Florence and Sienna, for example), the Jews who settled there concentrated by choice in a predominantly Jewish neighborhoods. With the synagogue at its center, this neighborhood lay behind the cathedral, close to the central square and main avenue. It was accessed by Via Ferdinanda (later Via Grande) which, linking the dockyards to the road to Pisa and the hinterland, also served as the route for processions and other public events. The Jewish demographic profile differed radically from those of the other foreigners who settled in the cosmopolitan port city. Jews were family oriented and socio-economically diversified in contrast to the young, male commissioners of their counterparts abroad (Trivellato, 2009, 78).

***3****.****3 Official policy, judicial status, and legal autonomy******as return for Symbolic capital***

The certificate of rights known as the *Livornina* (1591, 1593) issued by the Grand Duke of Tuscany reflected a very different attitude towards the **Jews than what the Counter Reformation promoted** (Ravid, 1991). While granting significant security and religious freedoms to merchants of all nations and creeds wishing to settle in Livorno, so that they could develop the port’s international trade, its principal intent was to attract Ponentine (former conversos) and Levantine—an **ethnic** group with a reputation as skilled merchants provided with substantial capital and well-established trading networks within and beyond the Mediterranean basin (Filippini 1993, Bregoli, 2011). The *Livornina* remained in force until Napoleon, being renewed again until the dissolution of the Grand Duchy of Livorno in 1860 following the unification of Italy—at which point Livorno ceased to operate as a *portofranco* (Ravid, 1991, p. 156)*.*

The *Livornina* granted former conversosprotection from the Holy Office, allowing them to practice their Judaism openly again. Newcomers were offered security guarantees whose provisions remainedvalid for 25 years and were automatically renewed unless fiveyears’ notice was given of their intendedtermination (paragraphs l and 36). These security guarantees further specified that no investigation, examination, denunciation, or accusation could be made at any point against the former New Christian newcomers or their families (Filippini 1993).

The *Livornina* also offered a range of economic incentives. It granted the Jews the same right as *Pisan and Florentine* Christian merchants who were citizens of Pisa or Florence *citizens* to engage in all forms of artand commerce. Although forbidden to trade in second-hand goods, already the exclusive province of Venetian Jewish moneylenders, Livornese Jews could engage in retail (their co-religionists in Venice were restricted to wholesale import/export), graduate from the University of Pisa (Article 19), treat their coreligionists and Christians alike (Article 18), walk freely without distinguishing badges, employ Christian servants and wet-nurses, acquire real estate, and exercise a large measure of judicial autonomy in both civil and criminal (for lower-level charges) cases (Filippini 1993). **All these privileges were extended to induce them to do business in Livorno.**

***3.4******Social capital and vocational culture: Internal organizational foundations, community, and legal autonomy***

The *Livornina* also conferred the right to establish an autonomous Jewish communal administration within the Livornese Jewish community (Toaff, 1990, pp. 419‒435; Ravid, 1991; Filippini, 1993). Spanish and Portuguese Jews who settled in the city governed the united community **as a united body**, praying together in a Sephardi-rite synagogue.Hereditary leadership positions allowed the Sephardi oligarchs to retain control over the communal offices and charitable institutions. Sephardi elites also dictated Jewish religious and public customs and norms (Reiman, 2017, p. 35). The benefits offered by the Grand Duke (e.g. safe conduct within the city) were conditional upon membership in the Sephardic community, **which was obtained by vote**. **The autonomous Jewish authority** regulated Jewish socio-economic behavior. In this way, the *Livornina* reinforced the migrants’ ties with the Jewish community (Dimant, 2019, p. 341).

The *massari* were a small oligarchy of Sephardi Jewish families. These oligarchs elected five lay leaders from within their midst to judge internal Jewish civil, commercial, and minor criminal cases. Aa special magistrate was appointed for legal conflicts between Jews and Christians. While deciding cases based on Jewish law and custom, the *massari* were under no obligation to follow the recommendations of rabbinical authorities. In practice, they more frequently relied on civil, municipal, and maritime law **because, after all,** most cases with which they dealt were commercial disputes. From 1614 onwards, the *massari* had the power to naturalize immigrant Jews as Tuscan subjects. **This was a coveted legal status that reminds one of the “entrepreneurial visas” Western countries now offer to monied foreigners**. Many Jewish merchants were attracted by the offer of Tuscan citizenship and political protection. This procedure, known as *ballottazione*, admitted foreign Jews into the city’s *nazione ebrea*, protecting their persons and property under Tuscan law and guarantying them immunity from debts accrued/crimes committed prior to their arrival in the port, as well as consular protection when outside of Tuscany. It thus served as a strong incentive for Jews to settle in Livorno and make it the base of their commercial operations (R. Toaff, 1990, pp. 419‒435; Ravid, 1991; Filippini, 1993; Trivellato, 2006, p. 33; Dimant, 2019). The *Livornina* thus not only consolidated social ties and created new social capital but alsoencouraged and enabled Sephardic Jews to enforce contractual obligations and agency relations (see below).

***3.5******Creating******Human capital for business performance: Linguistic skills, mercantilism, and apprenticeship***

The Jewish community was able to offer education to all its children because of its collective taxation and private benefactors. Livornese Jewish boys became early proficient in several languages: the local dialect, Italian, Spanish, and Portuguese.Most of the Sephardim in the city kept their account books in Portuguese. Fluent in Spanish and Portuguese, their multilingualism also enabled them to maintain relations with their co-religionists from the Iberian Peninsula.[[6]](#footnote-6) The correspondence between the partners of Ergas and Silvera, for example, suggests that, like most Livornese Sephardic merchants, they were fluent in Portuguese, Spanish, and Italian (Trivellato, 2009, pp. 178‒181). Portuguese remained the official language of the Jewish community until 29 March 1787, when Grand Duke Pietro Leopoldo decreed that the *massari* were to record their tribunal acts and sentences in Italian (Fillipini, 1993).

 Jewish **boys** studied arithmetic and learned sufficient Hebrew to participate in worship in the synagogue whose prosperous patrons sponsored religious schools (*yeshivot*) for young **male** scholars**.** Here, too, the records relating to the Ergas and Silvera families evince that education was governed by gender and class (Trivellato, 2009, p. 90). From the 1660s, a Hebrew school (*Talmud Torah*) appears to have operated regularly, however, attended by all boys between seven and 14 and girls up to an “appropriate age.” Affluent families also hired private tutors. After 1728, Jewish primary school curricula included Spanish and Portuguese, arithmetic and basic accounting skills (R. Toaff, 1990, pp. 337–341).

The commercial knowledge of the day was based on a large body of literature developed since the mid-sixteenth century in the wake of the expansion of mercantilism and the formation of a well-developed mercantile culture. **One manifestation was** the uniformity of etiquette style adopted by merchants across the world. The circulation of economic information via business letters in general and reputational investigations in particular helped merchants minimize recourse to formal judicial systems, **a practice that remains to this day commercially advantageous.** (Trivellato, 2009, pp. 153‒176).

From around the mid-seventeenth century onwards, commercial knowledge included merchant manuals with instructions for writing business correspondence (such as Jacque Savary’spopular *Le parfait négociant*), bills of exchange, dictionaries, weight and currency conversion tables, bookkeeping treatises, and other practical information.[[7]](#footnote-7) Stateless diasporas such as the Sephardim’s disseminated **this business education.** As a cosmopolitan trading language emerged during the early-modern period, merchants were able to communicate with one another more easily (Trivellato, 2009, pp. 177‒193). Merchants’ sons were prepared to take over their father’s businesses through **hands-on apprenticeship and business education**. This education included risk assessment, the mercantile *milieu*, and who could be trusted and consulted.

Amongst the Jewish migrants who settled in Livorno were former *marrano* doctors who had recently reverted to Judaism. Elia Montalto, for example, acknowledged his Jewish identity and practiced medicine before becoming physician first to Ferdinand I and then Maria de Medici. Settling in Livorno ca. 1658, a Portuguese physician called Immanuel Bocarro Frances y Rosales published important works of astronomy under the name Jacob Hebraeus. In recognition of his scientific achievements, Emperor Ferdinand II made him a count palatine. Medical rabbis also settled in the Tuscan pot, of these the best known was the Venetian David Nieto. Having obtained his degree, he practiced medicine while also acting as director of the Reshit Hokhma Talmud Academy before being called to serve as rabbi of the Portuguese community in London in 1701. The Jewish printing house established in Livorno in 1650, to which rabbis from all over the Mediterranean basin entrusted their works, further nurtured Jewish culture (Filippini, 1993).

* 1. ***Vocational Culture: Family firms, marriage, and trans-generational accumulation***

In their private family partnerships, Iberian migrants to Livorno largely adopted the traditional model of family firms, a general partnership. Unlike limited partnerships, **general partnerships** do not terminate at a specific date; all the partners enjoy both mutual agency and full liability. Sephardim in Livorno only began entering medium-term limited liability partnerships with non-Jews in the late eighteenth century—and then only sporadically and for small investments. (Trivellato, 2009). This pattern of association is witnessed in Rabbinic *responsa* (and Shari’a court records) from the city of Bursa in Ottoman Turkey where Jewish negotiators formed full partnerships with co-religionists in far off-flung places rather than with local non-Jews. In this way, Jewish traders strengthened the trust required between merchants in distant cities; full partnership enabled them to raise capital and share risk (Gerber, 1978, p. 52 n. 50)

Whereas Canon law and Protestant Ecclesiastical Law prohibited marriage within the fourth and the third degree of consanguinity, respectively (and rarely granted dispensation),

consanguineous marriage (including marriage between cousins and between uncles and nieces) was the frequent among Sephardim in Livorno [as well as in Venice] and considered the preferable norm among former New Christians who joined the Sephardim communities. As Jewish endogamy did not have geographical limitations, it constituted the single most important factor in shaping alliances within this diaspora. The consanguineous marriage and betrothal gifts of Sephardi merchants in Livorno typically solidified family partnerships and mitigated their marginal position in a Catholic society. They also served to resolve two of the most pressing problems private merchants faced during this period: raising liquid capital and transferring it to the next generation. Although permitted to invest in real estate, Sephardim in Livorno tended to keep most of their investments in movable-asset form, continuing—in contrast to their Christian peers—to endow their daughters with (cash) dowries. In this way, they transferred profits to other branches of their own family. At the same time, the endogamy and levirate marriage in which they engaged ensured that their funds never strayed too far afield (Trivellato, 2009, pp. 132‒139; cf. (the former new Christians) ‘Portuguese’ in Bayonne [Meron, 2015]).

Although general partnerships between Jews and non-Jews were not prohibited in Livorno, the social taboo against intermarriage and social distance inherent even in a cosmopolitan city made them very rare. On occasion, cracks in an extended family’s basic trust prompted such business collaborations (Bregoli, 2020). Consequently, social foundations of communal cosmopolitanism, rather than legal obstacles, explain the absence of joint Jewish-Christian commercial ventures and their scarcity at the end of the eighteenth century.

The informal structure of Sephardic partnerships was reinforced by conventional social norms and spatial networks. Sephardic geographical networks and marriage customs served as both incentives and guarantees for fulfilling the obligations implicit in joint unlimited partnerships.

* 1. ***Trust within stationary, long-distance trade: The* fattoria *as “payment networks”***

Long-distance trade practically became primarily stationary to avoid cash shipment. Depending up on deferred credit payments, **long-distance trade** operated in an atmosphere of suspicion and hostility. Rabbinical *Responsa* reflecting commercial relations between Ottoman and Italian Jewish traders indicate that Jewish merchants suffered **little** from **breaches of trust** prompted by cross-cultural interactions **because** most of their trade was with **trusted** co-religionists. The small size of the Jewish communities and their autonomous legal systems similarly facilitated enforcement of **debt** repayment (Gerber, 1978, p. 52).

Shippers of goods used the services of the **factors** (*fattores*) sending letters with precise instructions regarding their wishes - customarily **sale of their goods** and the purchase of other goods. The goods bought in exchange (*retrato*) were usually sent to the shipper, the *fattore* receiving a commission (*provisione*) (Rozen, 1981). Under the factorage system, widespread family networks connected the commercial centers in the Ottoman Empire with Italy, trusted commission agents in one city selling the goods delivered to them, buying new merchandise, and sending it back to their masters/partners. This mechanism rested on an instruction given by party A to party B (in place-of-origin coin) to pay **this** amount to party C (in coin-of-destination). Third parties honored such payment orders if they trusted party A, secure in the knowledge that the amount **owed** would be credited to them.

This type of trade—such as the trans-Saharan trade in feathers—demanded a large measure of trust between family members and co-religionists (Ravid, 1992; Ray, 2009; Israel, 1985, 2002). Thanks to that secure structure of trust, Jews from Livorno spread across the Mediterranean, settling and conducting trade in all the region’s principal ports during the seventeenth and eighteenth centuries (Abrevaya Stein, 2008, pp. 90‒91).

Jewish trade in the Mediterranean was also regularly conducted on the base of bills of exchange rather than physical currencies (Gerber, 1978, pp. 51‒58). This system involved a “payment network” run by four principal figures:

1. The “beneficiary”—i.e. the person who received payment for the transaction in his role as the provider (but not necessarily the producer) of the commodity. **The beneficiary** was responsible for shipping it from the port of origin.
2. The “deliverer”—the person who advanced the money to the *drawee.*
3. The “drawee,” who guaranteed payment to the beneficiary and maintained a current account with the deliverer.
4. The “drawer,” who oversaw the trade and functioned as a “reseller” of sorts, issuing the bill of exchange to the beneficiary, and informing the drawee.

Bills of exchange thus rested on a special kind of trust relationship in the payment chain: a financial link between beneficiary, deliverer, drawer, and drawee, all of whom shared a current account (Dimant, 2019, p. 327).[[8]](#footnote-8)Bills of exchange not only made the payment system more efficient but also enabled the expansion of trade. Because their utility depended on diverse currencies, diverse taxes, and diverse places of payment, standardization was required. Trust was also essential in the face of counterfeit coins and the frequent currency devaluations that plagued the Ottoman Empire. Although government’s attempts to devalue small *currencies* **denomination bills** for local trade—while leaving **at full value** the **larger denomination bills** in which international trade was conducted, currencies devaluations burdened merchants using bills of exchange (Gerber, 1978,pp. 51‒58; Dimant, 2019).

Etiquette alone was no guarantee that contracts and obligations would be enforced; nor did it dissolve legal and social barriers between those involved in cross-cultural exchange. Considering the lack of enforcement measures and atmosphere of suspicion and hostility that prevailed between different religious groupings and civilizations in the Mediterranean, both shippers and commission agents had to demonstrate trustworthiness. Standardized interest rates and regulation of the behavior of the participants in the payment chain helped merchants cope with uncertainty, thus encouraging debt repayment. Despite **reliance on** common religious and kinship relations, Jewish partnerships also relied on the Jewish legal system and social control within the Jewish community. The *massari*tribunal possessed the authority to enforce payment and impose penalties in all internal Jewish affairs (Trivellato, 2009; Dimant, 2019). The Livornese **authorities** *not* only permitted new immigrants to continue the economic practices to which they were accustomed, even if they had been legally dubious in the past, but they also provided them with support and judicial protection as they entered the payment chain. **This legal support** encouraged Jewish migration to the city.

1. ***Conclusion: The historical dimension of Jewish migrant entrepreneurship and its implications and limits in a globalized economy***

The two case studies analyzed in this chapter applied the cultural-induced model of migrant entrepreneurship for Jewish migrant communities during late renaissance Italy (16th to 17th centuries).

4.1 ***State-encouraged foreign investment designed to attract immigrants and Symbolic capital***

Comparison of these two case studies, **Livorno and Milan,** leads to the conclusion that encouragement of loyal, skilled immigrants was a lucrative policy. In the Duchy of Milan, at the beginning of the seventeenth century, when the S. Ambrogio bank (*cassa della citta)* ran into financing difficulties due to the Spanish Crown’s increasing military need, the ‘Council of Ten”(*Consiglio dei Dieci*) proposed that Jewish bankers be reinstated. Although not implemented, the expectations around this scheme retrospectively display their undeniable contribution to public finances, including the annual tax paid by the Jews to the exchequer in return for their privileges (Meron, 1990).

In Livorno, in contrast, persecuted Jewish migrants from Iberian Peninsula enjoyed both the favorable conditions of the *portofranco* and its liberal atmosphere. This environment promoted market capitalism. Highly skilled Iberian Jewish immigrants obtained return for their symbolic capital, flourished there at least until the mid-seventeenth century, when they gradually and voluntarily began to relocate to the newer developing commercial centers in the West, Amsterdam and London.

***4.2 Immigrants as responsible for the introduction of entrepreneurial resources***

Both cases indicate the sharing of Jewish resources. **The entrepreneurial culture of the Jewish immigrants** **supported**financial intermediation **that** required a high degree of literacy and skill, and provided higher returns than other occupations. European Jews had been leaders in this field for over a thousand years due to the advantages they held with regard to the four key assets required for success: capital, networking, literacy and numeracy, and internal communal contract-enforcement institutions (Botticini & Ekstein, 2012, p. 244). The Portuguese migrants who settled in Livorno had already acquired mercantile skills, a knack for conducting commerce, linguistic skills (fluency in local and European languages), and effective entrepreneurial tools before their arrival. Together with their family and business networks, these resources enabled them to thrive. Other groups had social capital too, but only the immigrant Jews supported social capital with essential cultural resources of entrepreneurship. Jews enjoyed culturally derived advantages in business in late Renaissance Italy because they were more literate than the Christian laity whom the Catholic Church did not educate whereas the synagogue did educate Jews. Public education only developed in Italy post-unification (1860) (Light & Dana, 2020, pp. 42‒43). **Prior to that time, we must realize, public education occurred within distinct communities and depended heavily on their religious customs.**

 **The world has changed since the Renaissance. Possibly a globalized world of English- speaking MBAs reduces** the economic advantage of entrepreneurial cultures now (Light, 2010b); in any case, the weakening of Jewish tradition **in the face of secularism** also **undermines the cultural integrity that diasporic Jews once** **enjoyed***.* This loss in turn may **diminish** the skills, special abilities, and expectationof success it affords Jewish communities **outside Israel**. **Jewish business acumen in Renaissance Italy depended on cultural resources that were once reliably present in Jewish communities. Possibly diminished in value, they are not gone. It is no accident that, when asked for the secret of Jewish business acumen, Jewish investors in international business still propose cultural explanations. The founder of Topor & Co. Korea, Ohad Topor (2022) recently compiled a list of ten** principles for success in business that **traditional Jewish culture institutionalizes**:

1. The promotion of education and study within the family/society. This includes accumulation of knowledge, analytical ability, critical evaluation, innovative interpretation, and application of knowledge to practical issues.
2. Contrastive thinking that creates an atmosphere tolerant of conflicting opinions.
3. The taking of calculated risks.
4. Family life that ensures continuity.
5. A sense of belonging to the community and commitment to its values that empowers the individual.
6. Renunciation of self-satisfaction **egotism** and fostering of self-control.
7. Persistence, consistency, and lability in times of uncertainty.
8. Flexibility and adaptability to new circumstances,
9. Negotiation in **good** faith and taking responsibility.
10. Truth telling and work ethics that form the platform for just social and moral conduct.

All these **cultural** traits **once** characterized the Jewish community in Cremona whose most prominent bankers were **often** rabbis. The fact that Jews concentrated in a predominantly Jewish neighborhood further reinforced these **religious** values. Migrants also possess mobile resources that enable them to adapt quickly to changing circumstances. **All this was well understood centuries ago**. That is why, towards the end of the Renaissance period in Italy, the Duchies of Milan and Tuscany encouraged Jewish migration to strengthen their growing economies, recognizing the contribution they could make considering the immigrants’ fluid wealth, skills, and communal capital, and the strategy worked.

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1. While Jewish religious law forbids lending at interest to Jews (co-religionists), it authorizes lending at interest to non-Jews—at reasonable rates. [↑](#footnote-ref-1)
2. According to Bonacich (1973), the attitude “sojourners” take towards their host country serves as the key variable in explaining the development and persistence of intermediaries, the “temporary” mentality being due to their “instability” of their alienation from the regional establishment. [↑](#footnote-ref-2)
3. Microdata from fifteenth-century Tuscany support the claim that the median (mean) size of loans against pawns was smaller than that of loans guaranteed by private deeds or guarantors (Botticini, 2000, Table 8). [↑](#footnote-ref-3)
4. Milanese currencies—in gold and silver—are converted to soldi according to the annual value of *scudi d’oro d’Italia*. These calculations are based on the general rate of one *lira* to twenty *soldi*, one soldo being worth 12 *dinari.* [↑](#footnote-ref-4)
5. Directing a banking company in Istanbul with stations across the Mediterranean, Nasi had connections with Jewish communities across the world and direct access to Sultan Selim, the Spanish king’s enemy, who appears to have trusted him implicitly (Cassen, 2017, p. 325). [↑](#footnote-ref-5)
6. European written languages had not yet become fully standardized during this period, most people learning them phonetically rather than by means of a rigorous education. [↑](#footnote-ref-6)
7. Jacques Savary, *Le parfait négociant, ou, Instruction générale pour ce qui regarde le commerce de toute sorte de marchandises, tant de France, que des pays estrangers* (Paris: Louis Billaine, 1675); *Dictionnaire universel de commerce: Contenant tout ce qui concerne le commerce qui se fait dans les quatre parties du monde. Ouvrage posthume du Sieur Jacques Savary des Bruslons ... Continué sur les mémoires de l’auteur, et donné au public par M. Philemon Louis Savary*, 3 vols. (Paris: J. Estienne, 1723–1730). Quoted in Trivellato, 2019, pp. 243–247, 247–248). [↑](#footnote-ref-7)
8. A (the buyer) was the remitter in Livorno, who sought to remit to B (the beneficiary)in London, paying florins to merchant C (the seller)—the drawer in Livorno who drafted the bill (payable in sterling), who drew on his credit with C' (the drawee) in London (Goldthwaite, 2009, pp. 211‒212)*.*  [↑](#footnote-ref-8)