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Mario Baldassarri, ed. *Maffeo Pantaleoni: At the Origin of the Italian School of Economics and Finance.* New York: St. Martin's Press, 1997. v + 209 pp. $79.95 (cloth), ISBN 978-0-312-17358-6.

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Maffeo Pantaleoni (1857-1924) is one the most original and complex figures in the history of Italian economics. One of the founders of pure economics, his *Principii di Economia pura* (Barbera, 1889) [English Translation *Pure Economics* (Macmillan, 1898)] introduced Vilfredo Pareto to the "new economics," and brought marginalism to Italy.

"We do not know," wrote Irving Fisher reviewing *Pure Economics* in 1898, "where else in English can be found so compact and excellent an epitome of modern economic theory". The *Principii di Economia pura* was Pantaleoni's "gem" (Edgeworth), a book characterised by the hedonist hypothesis on which economic science is based, and from which every theorem has been derived. In Pantaleoni's system, hedonism was linked to Spencerian evolutionary philosophy (it functions to conserve the organism), and gave a strong normative connotation to economic theory. For him, economics should provide a criterion to distinguish economic (rational) from non-economic (irrational) behavior.

In his obituary for Pareto, published in the *Giornale degli economisti* (1924), Pantaleoni restated his argument that psychological hedonism is more scientific than other hypotheses upon which choice theory can be based (including Pareto's theory of choice). His reasons were that: a) the history of economics, from Bentham to Jevons and Edgeworth has shown the efficacy of the hedonistic economics; b) the approach is based on the observation of concrete reality, on psychological and biological studies; c) and since people reveal their preferences, economists can know much more about mankind's behavior than natural scientists. Spencer, Sidgwick, Marshall, Edgeworth, but also Beccaria, Verri, and Ferrara in the Italian tradition, were the sources of his original and still relevant vision of economics (in the contemporary debate over rational choice, Kahneman, Tversky, Sugden and the cognitivist movement would find Pantaleoni a good ally).

However, the "pure economics" season of Pantaleoni's career did not last long. Near the end of the last century he started analysing "impure economics"; the relations between economics and statistics, history, and institutions. These issues occupied his attention for the remainder of his career.

Is it possible to form a coherent interpretation of Pantaleoni from the *Principii* to *Erotemi* (the title of the volumes collecting his papers)? This question, linked to the significance and originality of Pantaleoni's work, arose soon after his death. The International Congress "Maffeo Pantaleoni. Dal Paese' al Villaggio Globale," held in Macerata, Italy in December 1994, tried to take the question seriously, examining a variety of answers. Now the proceedings of the congress have become a book, edited by Mario Baldassarri, with contributions by congress attendees Piero Bini, Italo Magnani, Nicolo Bellanca, Luis Chauvel and Jean-Paul Fitoussi, Pierluigi Ciocca, Marcello de Cecco and Paolo Sylos Labini. The book is a welcome initiative that can contribute to our knowledge of an economist largely forgotten (unfairly) in contemporary international economic debates (and also often overlooked in the history of economic thought).

Paolo Sylos Labini provides the argument for the position that "there are at least two Pantaleoni." The first is the author of the *Principii*; the other authored the *Erotemi.* He focuses on the analysis of the economic dynamics of the "second Pantaleoni." On the other side of the issue, Piero Bini, Nicolo Bellanca and Italo Magnani attempt an unitarian interpretation of the thought of Pantaleoni.

Searching for the originality of Pantaleoni's work, Bini argues that it must be somewhere other than in his marginalist framework because, as B'hm Bawerk, Pareto, Gide, and Schumpeter have pointed out, "the marginalist framework of the work cannot be considered original" (p. 15). Bini argues that Pantaleoni's originality lies in his attempt to overcome marginalism by including elements of historical and sociological investigation as well as applied economics, into economic analysis. A Panta-

leoni closer to Marshall than to Pareto. Where does Bini find the thread which links together the whole Pantaleonian work? It is in the hedonistic approach, the pillar of the *Principii*, which according to Bini is the central hermeneutic category of Pantaleoni's reflections on economics and society from the first essays to his obituary of Pareto, published near the time of his death. This is the same common thread spotted by Italo Magnani, in his interesting paper dedicated to marginalism and role of the state in Pantaleoni's work.

Bellanca's interpretation of Pantaleoni, the most original and ambitious paper of the book, is built upon two ideal type categories. The first is Panteleoni's attempt to place side by side the "perfection" of marginalist theory and the "imperfection" of its starting points, or of power relations. Only by keeping together the two sides of analysis it is possible, in Pantaleoni's view, to understand the complexity of the economic phenomenon. The second category is dynamic analysis, which proved to be the most important and original aspect of Pantaleoni's latter work. Pareto in his first works tried to extend his analysis of equilibrium from static to dynamics, by means of the analogy with mechanics (D'Alambert's principle). However Pareto himself found out that this approach to dynamics did not work, and, after 1901, he gave up the attempt to dynamize his economic system, devoting himself instead to sociological study. Pantaleoni, who knew well the intellectual evolution of his genial friend, tried, on the contrary, to develop a dynamic analysis based on a non-mechanical (or non-physical) paradigm. His paper "Alcuni problemi di dinamica economica" (1909) opened the most interesting Italian research program between the two wars, when such economists as Bresciani Turroni, Demaria, Del Vecchio, Fanno, and Einaudi attempted to go beyond "static" Paretian equilibrium theory by introducing "dynamic" analysis into economics. This tradition still continues in the works of contemporary Italian economists like Pasinetti or Sylos Labini.

Marcello De Cecco provides a link between Pantaleoni and contemporary economic research by highlighting "the importance of the analysis contained in [his] works for research on the relationship between economics and institutions" (p. 189).

I would like to finish this review, in which only a few aspects of the importance of Pantaleoni's work have been mentioned, by encouraging readers to see Sraffa's obituary of Pantaleoni (originally published in the *Economic Journal*, 1924), which opens the volume and reveals another way in which Pantaleoni has influenced modern economics.

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