KEYNOTE SPEAKERS

S. 5. 17. – VARIETIES OF MARITIME RISK MANAGEMENT: THE MEDITERRANEAN, NORTHERN EUROPE, AND EAST-ASIA, 15TH-19TH CENTURIES - PART 2

(PRIN 2022 PROJECT "UNDER UNCERTAINTY" – CUP D53D23000790006 AND PRIN PNRR PROJECT "WIND WAVES AND STORMS" – CUP E53D23020150001)

Moderator: Ronald C. Po

(The London School of Economics and Political Science)

Panel Abstract

Maritime trade was (and still is) a profitable yet risky business. Damage to ships and cargoes caused by natural disasters (i.e. storms, winds, adverse weather conditions), as well as those ascribable to human activity, have constantly to be considered by business actors willing to minimize losses and maximize profits. Between the 15th and 19th centuries, a broad array of responses to these uncertain events were available, including contractual arrangements, formal and informal procedures, individual strategies, public policies, and religious beliefs. In many European markets it was possible to shift the risks to someone else by underwriting an insurance policy or a bottomry contract, but also to share losses by means of ex-post procedures, like general average. Contractual agreements were common also in the East Asian maritime trade, including partnerships similar to commenda in coastal China and bottomry (nagegane) in Japan. Preventive strategies were also routinely exploited: to secure their loyalty, Chinese investors could preemptively take their shipmaster's family hostage; in the Mediterranean and the Atlantic, cabotage and convoys served reducing the risks of sailing the open sea. Dividing the cargo among multiple carriers was a practice normally adopted everywhere, like seeking protection provided by armed vessels. Even rituals were among the possible options, including Taoist ceremonies performed after surviving sea storms, pilgrimages by Dutch sailors safely returned home, and the habit of Catholic ship-owners to name their ships after a saint.

In analyzing this multifaceted historical evidence, an evolutionary interpretation has prevailed among scholars, who argued that modern and (theoretically) more efficient tools and strategies replaced traditional ones. The focus went to premium insurance with the outcome of overshadowing not only the number of existing alternatives to sea risks, but also the interplay likely at work among them.

Setting aside any evolutionary bias, this panel aims at shedding new light on the multifaceted ways in which business actors dealt with the uncertainties of maritime trade. A special focus will go on maritime climate risks within the modern theoretical framework of resilience, according to which it is not the nature of adversity that is most important, but how society deals with it. A comparative approach will allow exploring geographically diverse perceptions of marine risks and the strategies adopted to manage them. Contributions will observe and compare three distinct regions, such as the north Atlantic, the Mediterranean, and the East Asian maritime corridor, targeting their different trajectories but also their possible points of contact. They will also provide a general overview useful to classify the large set of tools and strategies at work and develop a theoretical framework suitable to analyze them in comparative terms.

We apply for a double-panel with 8 papers in total. Most of them refer to two ongoing research projects funded by the Italian government: "Under Uncertainty. Coping with Risks in

the Mediterranean Maritime Business (Italy, 16th-19th centuries)" and "WWS (Winds, Waves and Storms): historical data and modern quantitative approaches to uncover the long-term strategies to prevent and mitigate climate risks in the European seas (15th-19th centuries)".

- Moderator : Ronald C. Po (The London School of Economics and Political Science)
  - Sabine Go (Vrije Universiteit of Amsterdam) Divergence in Governance: Adjudication of Marine Insurance and General Average in pre-modern Amsterdam
  - Maria Carmela Schisani / Giancarlo Ragozini / Francesca Caiazzo (University of Naples "Federico II") Weather events in the mid-18th century Mediterranean maritime trade: Automatic data extraction from Naples' sea protests through machine learning techniques
  - Paola Avallone (National Research Council of Italy, Institute of History of Mediterranean Europe) / Francesca Caiazzo / Giancarlo Ragozini (University of Naples "Federico II") Bottomry loans or Insurance contract?: A case-study from pre-Unification Southern Italy
  - Alessio Maria Musella (University of Teramo) / Maria Carmela (University of Naples "Federico II") / Tiziana Di Cimbrini (University of Teramo) Risk management policies of marine insurance companies in Southern Italy over the 19th century: An accounting history perspective

Risk management policies of marine insurance companies in Southern Italy over the 19th century: An accounting history perspective

Alessio Maria Musella (University of Teramo)
Maria Carmela Schisani (University of Naples "Federico II")
Tiziana Di Cimbrini (University of Teramo)

Abstract

This paper addresses the issue of uncertainty and risk in maritime business as a key issue to evaluate economic systems' resilience, over a long time.

Differently from the traditional notion of insurance that quantifies the perception of risk in probabilistic terms, this paper adopts a different approach, by using a qualitative analysis of balance sheet items and attached reports, to categorise risks in the long run. It focuses on the case study of maritime insurance in the South of Italy throughout the 19th century. Through thematic content analysis (TCA) we try to understand if there was homogeneity between companies in risk management strategies and thus in risk perception, whether it varied according to firms' dimension, whether these strategies changed with Italian Unification, whether the opening of the Southern market, the first globalisation and the arrival of foreign companies led to a change in the classification of risk and/or an adaptation to the categories used abroad.

To do this, we collected original sources mostly available at the Naples State Archive (balance sheets and attached reports) to obtain a massive collection of quantitative and qualitative data.

The analysis follows the systematic of a qualitative TCA (Kuckartz 2018), to which the "deductive-inductive category formation" corresponds. A concept-driven (deductive) development of risk categories derived from different kinds of literature (regulatory, accounting, and mercantile literature) and a data-driven (inductive) development of risk categories, derived from thematic analysis of archival sources will be outlined.

This way the paper aims to understand how risk perception guided the management risk policies of marine insurance companies over time. How these firms planned strategies to deal with uncertainty and risk is also a key issue to discuss, in a long-run perspective, the aspects of risk conceptualisation, vulnerability, adaptation capacity, tools, and policy options adopted under different market conditions.

This paper is developed within the funded research project PRIN "Under Uncertainty. Coping with risks in the Mediterranean Business (Italy, 16th-19th centuries)", CUP: E53D23000 340006.

Key words
Maritime insurance, risk categories, accounting history, risk management strategies, South of Italy

Biography

Alessio Maria Musella, PhD, is a Research Fellow at the Department of Economics and Statistics (DISES) of the University of Naples "Federico II" and an Adjunct Professor of Innovation Management at the Department of Political Science at the University of Teramo. A graduate with honors in Economics from the University of Naples "Federico II", he holds a PhD in Accounting, Management and Business Economics from the University of Chieti-Pescara "G. d'Annunzio". His academic studies include advanced training courses at various national and international universities. Actively participating in international conferences, his focus has been primarily on Accounting History. His research interests extend to Accounting History and Public Management, with some of his works published in high-impact international scientific journals (Accounting History).

Maria Carmela Schisani, PhD, is Full Professor of Economic History at the Department of Economics and Statistics (DISES) of the University of Naples "Federico II". She has been the Coordinator of the Ph.D in Economic History of the University of Naples "Federico II". She is member of the Scientific Board of the Ph.D. in Economics of the University of Naples "Federico II". She has been (and is) involved in several national and international research groups. Her main fields of interest are financial history in modern and contemporary age (private and public finance in the South of Italy; insurance and banks; Italian financial market, international finance, financial peripheries of the 1st globalization), business history and historical network analysis. She is author of several publications, some of them in high-impact international scientific journals such as Cliometrica and Business History.

Tiziana Di Cimbrini, PhD, is an Associate Professor of Business Economics at the Department of Political Science of the University of Teramo (Italy) where she teaches in courses of Management and Accounting. She is the president of the Master Degree in Public Administration Sciences of the University of Teramo. In 2008 she won the Best Paper Award of the Italian Academy of Business Administration / youth section. In 2018 she won the Alberto Bisaschi Prize of the Italian Society of the History of Accounting, for the best scientific publication of accounting history in English. Her main research field is accounting history and she is a member of the editorial board of Accounting History, the official journal of the Accounting and Finance Association of Australia and New Zealand.