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Business and the Periphery

Paper abstracts

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Thankom Arun and Mitchell J. Larson (Institute for Global Finance and Development, Lancashire Business School, University of Central Lancashire)

Hybrid Corporate Structures in Financial Services – the Case of Microfinance (Parallel Session 4A)

For many reasons modern capitalism has not fostered equal economic development across the globe. In developing countries – the former 'periphery' of global business – desperate poverty remains the status quo for many social groups but governments have limited skills and resources to apply to the problem of generating economic activity and growth among these often disenfranchised populations. One innovative response to this problem is the operation of microfinance institutions, who lend very small amounts of money to individuals, families, or groups to enable the creation of what is hoped will be a lasting business to raise the borrower out of the worst levels of hardship. One organisational form constructed to combat this social problem is the microfinance institution (MFI). However, MFIs serve two masters: on one hand they attempt to lend small sums to individuals for very low interest to serve the social need of reducing poverty; on the other hand they must do so while maintaining the viability of the microfinance business itself. The concept of the 'hybrid' organisation attempts to resolve the inherent tension between the profit-seeking motivation of a conventional lending business and the generation of 'social goods' (traditionally the purview of the state or non-governmental charity organisations) through the reduction of poverty on the other. Over the past forty years various experiments in microfinance have taken place and a number of operational and organisational lessons have been learned. Research conducted in the last few years shows the potential of the hybrid form of corporate organisation without dismissing its complexities in terms of mission, corporate governance, and the uncertain legal position of such companies. Set against this backdrop of institutional development, the paper explores the history of two examples of microfinance institutions, the Grameen Bank and the SKS Bank, both located in south Asia.

Emily Baines (De Montfort University)

Network Impact on Business Strategy for Embedded and Peripheral Firms (Parallel Session 4D)

This paper compares two textile companies, one a central protagonist of the networks of the industry and sited within the main heartland of the cluster (Turnbull & Stockdale Ltd.), the other peripheral both geographically and in network engagement (Ferguson Bros. Ltd.). It considers the difference in their strategy and actions resulting from their central and peripheral positions within the industry structure.

The companies examined are British printed textile firms, working in the 1920s and 1930s. The printed textile sector is the focus of study as it was subject to major economic, market, technical and stylistic changes during this period and had a multiplicity of different network organisations active in the industry. Turnbull & Stockdale Ltd. were based in Lancashire near Bury and were integrated into the central Manchester-based cluster of industry organisations, both design-focused and for internal industry policy. Ferguson Bros. Ltd. was a vertically integrated textile firm based in Carlisle. They were a member of the Federation of Calico Printers from 1925 but do not appear to have been actively involved in its committees or in other industry organisations. Did Ferguson Bros. suffer from its peripheral position within industry networks and cluster? Or alternatively, did Turnbull & Stockdale Ltd.'s position embedded within industry networks inhibit their actions or restrict their strategic approach? The paper considers whether the competitive advantage of knowledge distribution (Grant, 2003) from involvement in networks and clusters (Hakansan, 2005; Malmberg & Power, 2005; Eccles & Nohria, 1992) was significant. It will assess the role of different networks – did any provide access to opportunities, flexibility of working and response (Veyrassat, 1997; Capecchi, 1997), skill development and knowledge creation to build industry epistemic clusters? Or did the defensive approach of collective industry associations had an inhibitory effect on the ability to concentrate on building core competences and developing an independent, differentiated range of innovative products from this competence (Prahalad & Hamel, 1990; Johnson & Scholes, 2002)?

Casson (2003, pp.25-26) warns against 'bad networking', in which entrepreneurs combine to protect weak industries against external competition or inward-looking anti-entrepreneurial regional cliques are formed, which inhibit local development. Hamilton & Feenstra (1998, p.107) argue that 'In Coase's vision (1937, pp.403-405), the crucial aspect of the firm is the authoritative ability of 'some authority' to direct resources efficiently in the production and marketing of goods.' So did taking an active role in the networks disperse energies from concentration on the firm or were the collective support and knowledge diffusion benefits of the networks more significant?

As network institutions develop, they can have a negative effect in the rigidity and inertia of practices and attitude, described as 'institutional sclerosis' by Olsen (1982) This relates to the concept of the life-cycle of a cluster (Swann, 1998), in which there is a transition from the Take-Off stage in which membership of a cluster gives competitive advantage and the Saturation stage in which the benefits are outweighed by the costs of clustering. At the Saturation stage for the British cotton industry, there was horizontal specialisation and increasing scale establishment of industrial cartel firms (the Calico Printers' Association, the Bradford Dyers' Association and Bleachers' Association), with a range of specialist industry associations to fix prices and standardise product types. These organisations tended to a defensive approach, making a collective attempt to provide security to the industry by raising barriers to entry and co-ordinating a common front on price and product types available. As an approach, it is indicative of a Decline stage industry – but is an ineffective method of stemming decline.

A more dynamic approach was taken by Ferguson Bros., who diversified and developed new products and product types, with technical and design innovation to achieve new product benefits and achieve affordable price points as well as a proactive promotion strategy. Ferguson Bros. appears to have had a more strategic approach to design as part of wider product development, purchasing and developing particular design styles for targeted product brand ranges. In contrast, Turnbull & Stockdale Ltd. appear to have had a far less entrepreneurial approach (in terms of diversification and product development), although the absence of minutes necessitates a tentative judgement. They combined production of their own range with cheap commission-process printing for merchants and manufacturers – their own range all came under their own brand, but showed a fairly incoherent corporate identity, with a muddle of traditional, modernistic and modern designs in the 1930s, reverting back later to a more traditional style. There was some technical development, with the introduction of screen-printing, but no leading edge innovation in techniques and processes such as was being undertaken at Ferguson Bros. Ltd.

Overall, the engagement with industry organisations such as the Federation of Calico Printers seems to have encouraged a negative, anti-entrepreneurial focus on defensive mechanisms such as price setting and industry reorganisation schemes. However, the networking between design organisations by Turnbull & Stockdale Ltd. was beneficial in knowledge creation and distribution for the wider industry. It also helped Turnbull & Stockdale Ltd. by providing links to influential designers and design ideas, but took their focus away from developing their own competencies and product offering. Ferguson Bros. Ltd.'s position on the periphery of the main networks and industry cluster allowed them to take a more radical approach in marketing strategy, developing successful and distinctive product ranges.

Keywords: Networks; periphery; cluster; entrepreneurial; corporate strategy.

James Barber (Texas Tech University)

Uncertain Futures: American Business and Developing Nations at the End of Bretton Woods (Parallel Session 3A)

The global imbalances that undermined the Bretton Woods currency regime are well known. Increasing pressure upon the United States, leveraged by nations concerned with escalating U.S. balance-of-payment deficits, forced a pivotal devaluation of the dollar and a collapse of the fixed-rate gold standard that characterised global finance under Bretton Woods. The result weakened the dollar, accelerated global inflation and eroded the financial hegemony of the United States. The effect rippled outward, contributing to the growing economic instability in the developing world.

The economic turmoil of the early 1970s reflects a number of factors, of which Bretton Woods is just one. However, little scholarship exists concerning the response of the business community to the emergence of a market driven, floating currency exchange. Thus, the historiography lacks a critical understanding of how the demise of Bretton Woods played a central role in reformulating the relationship between American domestic economic interests, the U.S. government, and the global financial system.

This project examines how changes in the global financial order during the early 1970s affected United States enterprise in the developing world. By examining United States government and business archival materials, the proposed paper focuses upon the relationship between American business and Latin America, as the shifting imbalances created by the floating currency regime weighed heavily upon the region. This paper argues that American businesses quickly reacted to the changes in the global financial system, but often in a protectionist, conservative manner against threats of nationalisation, currency speculation and increasing competition from foreign investors. Developing economies responded by appealing for stabilisation, increased international credit, and challenges to the influence of the United States. Uncertain about the future, businesses and economic actors engaged in a renegotiation concerning the role of U.S. credit, investment and political influence throughout Latin America.

In conclusion, by examining the actions of American business, developing economies, and state agencies, this paper attempts to recast the narrative of Bretton Woods to chart a fundamental change in the attitudes of American businesses and their relationship with the periphery.

Keywords: Bretton Woods; Nationalisation; IMF/World Bank; OPEC; Petrodollar Crisis.

Victoria Barnes and Lucy Newton (both of the University of Reading)

Images of Business History and Corporate Identity in British Banking (Parallel Session 2C)

In Canary Wharf, London, inside HSBC's head office and within the private meeting rooms on the 35th floor, the George Rae room can be found. Inside lies a portrait of George Rae. George Rae's connection to the HSBC was as the manager of one of its constituent banks, the North and South Wales Bank, in the second half of the nineteenth century. This practice - the commission, collection and display of images associated with a business's history – is not confined to the offices of HSBC. Indeed, retail banks were keen investors in corporate history and images of their staff. In particular, the images depicted employees such as directors, bank managers and clerks. Initially, visual representations were shown externally to the public to signal the person's and the organisation's reputation. Now, the portraits are confined to corporate offices and these representations tell an internal story of the bank's history, its survival and success. The images embellish and add to visions of corporate culture and identity.

This paper examines the visual representations of personnel connected to these banking institutions. These commemorative images take the form of oil paintings, photographs, prints, busts and medals. Why did banks commission and continue to use portraits and historic images? What kinds of stories do they tell about the institution's past? Are they an effective means of communicating and building an internal identity? This paper uses portraits, oral testimonies and staff records, alongside bank archives to examine the ways in which these images and the stories behind them were commissioned, told and, in some cases, forgotten.

Mark Billings (University of Exeter Business School)

The Demise of the Exeter Benefit Building Society, 1956, and the Regulation of the 'Building Society Movement' (Parallel Session 1D)

In Britain after World War Two building societies were significant providers of financial services, specialising in domestic mortgages and retail savings. They enjoyed significant expansion and the 'movement' became more concentrated as the larger societies grew both organically and by merger as the number of societies fell from over 1,000 in the mid-1930s to around 700 by 1960. These developments took place against a background of changes in the nature of the housing market, regulation, technology, and managerial practice. This paper examines a case of failure within the sector and investigates its implications.

In early 1956 the Co-operative Permanent Building Society, now the Nationwide and then the third largest society, took over the business of the Exeter Benefit Building Society ('the Exeter'). The Exeter had been subject to an order from the industry regulator, the Chief Registrar of Friendly Societies, which prevented the society from advertising for new investment and threatened to precipitate a 'run' by its investors. This paper argues that failings identified in recent literature on other societies in this era - high levels of connected and/or concentrated lending (as argued by Barnes, 2014) and weaknesses in internal control systems and auditing (as argued by Noguchi and Bátiz-Lazo, 2010, and Bátiz-Lazo and Noguchi, 2013 and 2014) - did not contribute to the Exeter's demise. The Exeter, however, suffered from weak liquidity and capital ratios, classic failings in lending institutions. It invariably operated with a tight liquidity position, and its capital position had deteriorated as it grew much more rapidly than the wider building society movement, rising from around the 120th largest society in 1940 to approximately the 60th largest at the time of its demise. The failure of the Exeter, not large in absolute terms or particularly significant, but relatively high in the size rankings, reinforced the desire of the larger societies for self-regulation and the efforts of the regulator and government to enhance statutory regulation of the sector and encourage mergers between societies.

Keywords: building societies; Co-operative Permanent; Exeter Benefit; financial services; regulation.

David Boughey (University of Exeter Business School)

Diamonds and Philanthropy: the Wounded at Work after World War One (Parallel Session 2B)

In a grand philanthropic gesture, diamond magnate Bernard Oppenheimer invested in a new diamond factory in 1917 with the specific purpose of giving employment to wounded soldiers. Heralded as the world's largest diamond polishing works, and located in Brighton, the goal was to provide skilled employment and support to 3,000 ex-servicemen who had lost limbs in the conflict. This paper traces the upheavals in the diamond industry at the time, and considers the contemporary importance of, and reaction to, the Brighton factory. Most importantly, the question of opportunism and exploitation is addressed. Was Oppenheimer a generous patriot, or manipulative of the situation, able to draw on government funds to train and pay workers ultimately for his own benefit? In an era of ambiguity over the state's responsibility towards the wounded of war, the Brighton Diamond Factory stands as a unique and pioneering venture, irrespective of motivation and eventual corporate failure.

Keywords: World War One; Philanthropy.

David Bowie (Oxford Brookes University)

From Barter to Published Tariffs: The Transition from Inn-Keeping to Professional Hotel Management in Nineteenth Century England (Parallel Session 3E)

In the mid-1850s, English hotels were criticised for being old-fashioned, uncomfortable and over-priced compared to Continental European and North American hotels. By 1900, the English hotel industry had adopted many international innovations and had improved service quality and comfort to – arguably – reach a comparable level to international rivals. This article explores the context in which a series of radical innovations transformed the English lodging industry from an amateur inn-keeping model in the mid-1800s to a professional hotel management model of business in 1900.

The methodology uses elements of evolutionary transition and the concept of niche cumulation (Geels) to explore the nineteenth century hotel industry. Technological transitions are defined as ‘major technological transformations in the way societal functions such as transportation, communication, housing, feeding are fulfilled’.[1] Geels illustrates the theory of technological transitions by describing the evolution from sail to steam as a series of radical innovations cumulating in the shipping industry’s transformation. This research applies Geels’ approach to the English hotel industry by analysing the macro socio-technical landscape of the nineteenth century; the meso-level of multi-actor network regimes; and the cumulation of technological innovations which combined to transform the English hotel industry in the nineteenth century.

Keywords: Diffusion of innovation; niche cumulation; technological transition; hotel industry.

[1] Geels, Frank W. (2002), ‘Technological Transitions as evolutionary reconfiguration processes: a multi-level perspective and a case study’, *Research Policy*, 31, 1257-1274.

Mark Casson (Henley Business School, University of Reading) and Catherine Casson (University of Manchester)

Business Enterprise in Medieval Bristol: Evidence from Property Deeds and Rentals (Parallel Session 3F)

Medieval business history is an under-developed area of research with great potential to inform debate over the origins of business enterprise. Apart from farming, medieval business enterprise was concentrated in market towns. Previous research on business in medieval towns has tended to focus on guilds and corporations, because of the survival of institutional records. This paper focuses on a different type of evidence that is provided by deeds and rentals.

In the thirteenth and fourteenth centuries Bristol and York were the two largest English towns outside London. The port of Bristol was particularly notable for its international trade. Despite the survival of relevant records there is no standard economic history of medieval Bristol. Apart from a small number of explorers, merchant venturers and civic officers, little is known about the entrepreneurs of medieval Bristol. Deeds and rentals help to fill this gap in knowledge. They provide information on the location, ownership and occupation of individual properties across the city of Bristol and its suburbs. By examining the rental values and sale prices of these properties it is possible to assess the scope and diversity of business enterprise in Bristol, and to make comparison with other English cities where similar information is available. The results suggest that economic factors that influence business growth in modern towns, such as competition and agglomeration, were also important in medieval Bristol.

René Schrøder Christensen (Danish Railway Museum), Kristoffer Jensen (University of Southern Denmark), and René Taudal Poulsen (Copenhagen Business School)

Demand Drops and Changed Strategic Priorities: The case of Odense Steel Shipyard and the A.P. Moller-Maersk Group, 1918-2012 (Parallel Session 4B)

Rapid and major demand drops remain a basic and unpredictable aspect of doing business in some highly volatile industries, and these dramatic changes in market conditions can challenge the survival of companies. Addressing such crises, which can last for a decade or longer, is a key to long-term company competitiveness and ultimately company survival. Shipbuilding, which depends on demand from the highly volatile shipping industry, is one such example.

In this paper we examine shipyard managers' and the shipyard owner's responses to the three major demand crises of the twentieth and early twenty-first centuries (starting in 1929, 1973 and 2008, respectively). We analyze the case of the Odense Steel Shipyard, the last major, European oil tanker and container ship-builder, and compare the strategic responses of the yard managers to the three major shipbuilding crises. We ask why the yard was able to survive the first two crises, but seized to operate during the third. We highlight the changing strategic perspectives of the owners, ship-owner A.P. Møller and the A.P. Moller-Maersk Group, arguing that it proved decisive for the yard whether shipbuilding was considered core business or placed in the periphery of strategic attention. On a more general level, our paper makes a contribution to the strategy management studies of companies with vertically integrated business units in the context of an industry with highly volatile demand.

The paper is based on in-depth archival studies in the A.P. Moller-Maersk Group's archives, which have been opened to such research for the first time.

Keywords: Shipbuilding; demand drops; business groups; strategic decision making.

Roy Church (University of East Anglia)

Drugs, Sex, and Merchant Bankers. Wealth Creation for the Wellcome Trust (Parallel Session 2B)

This paper explores the periphery connecting business history with the history of medicine and the history of philanthropy.

Since 1936, the Wellcome Trust has been dedicated to funding biomedical research and is the world's third largest charitable foundation (endowment $22billion). The Trust was created by American pharmacist-entrepreneur, Henry Wellcome, joint founder-owner of a pharmaceutical business in London in 1880 with Silas Burroughs, both American pharmacy graduates possessing experience as drug salesmen in the US. After Burroughs's death in 1896, Wellcome became sole owner of the multinational company until his death in 1936 when, under the terms of his will, ownership of the business passed to the Wellcome Trust. In accordance with Wellcome's wishes, the Trust comprised mainly distinguished academics in leading university medical schools and hospitals whose task was to distribute funds to support medical research unrelated to the company's interests and activities.

Unfortunately the Trust's income derived solely from dividends from Burroughs Wellcome & Co. which, although for a time the largest and most innovative UK pharmaceutical company until World War I by which time Wellcome had withdrawn from the business, under successive incompetent management regimes became increasingly dependent on the superior profitability of its small, innovative American subsidiary, Burroughs Wellcome & Co. (USA) Inc. Managed by a succession of independent, adept, innovative, and entrepreneurial American presidents, from the 1950s effective marketing of pharmaceutical innovations developed by the American company's two American Nobel Laureate scientists and their successors secured increasing commercial successes in the US, even though by international standards the UK and the US subsidiary were relatively small companies.During the 1970s and 1980s, sexual revolution triggered heavy R&D investment in the US into anti-virals and led to Zovirax, a highly profitable blockbuster drug for the treatment of genital herpes. This was followed by Retrovir, the first retro-viral drug approved by the FDA with which to treat HIV/AIDS patients in the USA. Retrovir generated profit, but also worldwide vilification over the company's pricing policy which included threats of government intervention and occupation by protesters.

Reform of the composition of the Trust leadership in the early 1980s saw city businessmen and merchant bankers become influential in pressing for higher dividends with which to pursue more vigorously the Trust's philanthropic mission. Conversion of the private limited company to the formation of Wellcome plc. in 1986 was followed by merger with Glaxo to form Glaxo-Wellcome in 1995, which at the time was the largest ever merger in the history of British manufacturing. It was a corporate predecessor of GlaxoSmithKline, the UK's largest pharmaceutical company, formed in 2000.

The paper explains the transition both of a pharmaceutical company and a charitable trust, which before the 1980s were small in scale but which became major international organizations; one focused on profit while the other concentrated on funding medical research. The paper also explains how and why in 1995 the company was sold by the Trust in order to promote its philanthropic mission in accordance with Henry Wellcome's aspirations, expressed in his will in 1936: to improve the health of mankind. His aspiration was fulfilled but at the cost of the business which Wellcome (with Burroughs) had created in 1880 and of the American subsidiary company which Wellcome alone created in 1906.

Keywords: Drug innovation; Herpes; AIDS; Merchant Bankers; Wellcome Trust.

Howard Cox (University of Worcester) and Simon Mowatt (Auckland University of Technology)

***John Bull*'s Business Strategy: Recruiting an Army of Popular Readers (Parallel Session 1B)**

John Bull is largely remembered as a periodical which during the First World War rose to prominence as Britain's leading weekly magazine. As such it has been used by cultural historians as a reflection of both popular patriotic sentiment and a critical voice against the authorities. The magazine's ability to wield such a strong influence between 1914 and 1918, however, was founded on the success it achieved in the years leading up to the war, during which time it emerged as a populist publication with a circulation rising to over one million following its launch by Horatio Bottomley in 1906.

The current paper seeks to explore from a business perspective the reasons behind the pre-war commercial success of *John Bull*. It does this from three different perspectives: in relation to the magazine's management and particularly the influential role of its printer, Odhams Press; in terms of its editorial content in extending the popular appeal of the magazine through both the promotion and criticism of business enterprises; and by means of its advertising policy which provided a platform for offshore betting companies and bookmakers to reach a large pool of actual and potential punters.

Keywords: British magazine publishing; muckraking press; advertising strategy; betting industry.

Teresa da Silva Lopes (University of York), Carlos Gabriel Guimaraes (Universidade Federal Fluminense/ University of York - CEGBI), Alexandre Saes (Universidade de Sao Paulo), Luiz Fernando Saraiva (Universidade Federal Fluminense)

The Impact of British Investment in Brazilian Business, 1860-1914 (Parallel Session 4C)

This paper looks at British entrepreneurship and investment and its impact on Brazilian business from 1860 to 1914. During this period, Britain was the main direct investor in Brazil, with a share of 93.6 percent of the capital invested from 1860 to 1875, and 53 percent between 1903 and 1914. British investment led to the development of key industries such as banking and land and sea transportation of people and merchandise in services, textiles and machinery in manufacturing, and primary industries such as rubber. Many of these businesses still exist today and remain in the hands of the descendants of British entrepreneurs. By tracing back the evolution of a group of these British businesses from their inception until 1914, this paper identifies and explains the sources of British competitiveness and long-term survival in Brazil. The research, funded by the British Academy, draws on private and public archives and on the collection of original trade, investment, patent and trademark data.

Keywords: Foreign Direct Investment; Multinational Business; Intellectual Property Rights.

Hannah Dean (University of Leeds)

Debunking the Myth of Female Entrepreneurs' Underperformance: An Oral History Perspective (Parallel Session 3G)

Within the gendered discourse on entrepreneurship, the voice of the female entrepreneur has largely been silenced and her experience has been overshadowed by a dominant masculine hegemony. By documenting and analysing the oral history accounts of female entrepreneurs in the UK at the beginning of the recession in 2009, this study plays a central role in bringing to light women's achievements. The narratives of female entrepreneurs challenge many of the social assumptions and stereotypes that undermine female entrepreneurs. The inclusion of women's voices is, therefore, crucial for addressing imbalanced power relations. Furthermore by drawing on Schumpeter's conceptualisation of the entrepreneur, as a prominent economic theorist in the history of entrepreneurship theory, the study challenges the dominant economic growth and managerial discourses for being a true reflection of the entrepreneurial experience. The oral history accounts captured the negative influence of these dominant discourses over the entrepreneurial experience and showed how they inhibited the entrepreneur's performance. This study is of value for entrepreneurs as it reduces their vulnerability in the marketplace by highlighting the negative influence that the economic growth and managerial discourses. The study has also implications for policy makers as it generates new knowledge that aims to incorporate the current social and economic changes in the context of female entrepreneurs that can no longer be sustained by these dominant discourses especially in the time of recessions.

Keywords: female entrepreneurs; oral history; Schumpeter.

Helen Doe (University of Exeter)

Managing the Smugglers: The Westcountry Smuggling Business, 1780 to 1810 (Parallel Session 4E)

Smuggling was a business in much the same way as any other, it just preferred not to abide by certain laws. Smuggling in the westcountry in the late eighteenth century was well organised and well supplied. The Channel Islands supplied much of the goods and the smugglers supplied the finance, controlled transport and distributed the goods inland. This paper looks at the organisation and management of both smugglers and suppliers, the government methods employed to control the trade and the reason for its eventual decline.

Bernardita Escobar Andrae (Senior Researcher, Corporación de Investigaciones Económicas para Latino América – CIEPLAN, Santiago, Chile)

Business Survival in a Developing Economy: The Roles of Social Class and Gender, Chile, 1945-1955 (Parallel Session 3G)

This article examines the empirical significance of social class and gender of business owners over their firms' survival rates in Chile during the 1945-1955 period. To do so, a panel dataset of all firms registered in the country during the period was built, and the article identifies the social class and gender of their business owners, by examining the ethnographic origin of surnames and first names, respectively. It examines the determinant role played by these characteristics over the firms degree of survival during the period. The paper also seeks to determine whether changes in the class and gender structure of business owners population took place during the decade, relative to benchmarks found recently for the 1870s-1900s period. The hypothesis under scrutiny, is that industrialising societies characterised by low degrees of social mobility and expanding coverage of education, like Latin American countries, are likely to exhibit both low survival rates of firms originating in poorer social classes and an increasing supply of new firms that originate in social backgrounds other than the elite. To the extent that the gender gap in education is reduced, this pattern is expected to be more noticeably among female business people relative to the male population of business people.

Keywords: Female business activity; economic history; economic development; Chile in mid-twentieth century.

Tyler Goodspeed, University of Oxford (PhD awarded at Harvard University)

Essays in British Financial History (Coleman Prize Presentation Session)

In the three essays comprising this dissertation I study shadow banking institutions in eighteenth- and nineteenth-century Scotland and Ireland.

In the first essay, I construct a new database from archival sources to analyze the role of the Irish Loan Funds in facilitating adjustment to the Great Famine of Ireland. I find that microfinance lending by the Loan Funds played a significant role in non-demographic adjustment to blight, especially for small- to medium-sized farms, by facilitating short-run accumulations of buffer livestock assets and medium- to long-run changes in land use.

In the second essay, I analyze MFI sustainability in the face of a major aggregate shock by studying how different management and lending practices allowed some Loan Funds to survive the Great Famine. Among Loan Funds operating in districts worst affected by blight, I find that funds that were more prudentially managed before the Famine were more likely to contract their balance sheets by restricting lending to borrowers of higher credit quality, and that more prudential pre-famine management and lending practices attenuated the probability of institutional failure during the Famine.

In the third, book-length essay, I study "free banking" in Scotland during the eighteenth century. I find that Scotland's decentralized and unregulated banking sector effectively mitigated the effects of two severe balance of payments crises arising from exogenous political shocks during the Seven Years' War, and in particular that issuance of contingent liability debt and unlimited liability on the part of Scottish bank shareholders attenuated the effects of financial instability on the real economy.

Robert Greenhill (University of Liverpool)

Trading on the Periphery: E. Johnston & Co. and the Anglo-Brazilian Coffee Trade, 1840-1880 (Parallel Session 4C)

This paper analyses the formation and expansion of a British merchant house in Brazil during the middle of the nineteenth century. Started in 1842, the firm was by 1876, the year of its founder's death, the leading shipper from Brazil with some 10 per cent of the country's coffee exports. Edward Johnston died with a personal estate of £76,000, an enormous sum in those days, quite apart from the assets in his business which he passed to four of his sons. He was on his death a respected London merchant who had entered the world of banking (he was one of the founders and Deputy Chairman of the London and Brazilian Bank). One son, Reginald, a partner in his father's firm, became Governor of the Bank of England just before the First World War.

The importance of nineteenth century Latin American trade to the British economy has generated some debate. South America has been regarded as something of a backwater for British commerce and Christopher Platt's book pointed to the limitations of British trade there a view now contested by Manuel Llorca. A literature on the identity of British traders is also being accumulated. Much is now known about the merchants on the west coast, and on the east coast the River Plate region has often provided rich material for British mercantile activity (in the work of Charles Jones and Vera Blinn Reber) but the presence of British traders in Brazil has been less researched. The neglect is all the more surprising since coffee, which became Johnston's core business, is a remarkably important international commodity, second only to oil by value as a traded commodity. It remains as true today, as it did 150 years ago, that coffee, produced in the peripheral regions of the world economy, is consumed by nations at its centre, a feature which clearly requires a trading network to bridge the gap.

Trading on the periphery of the world economy in Brazil during the mid-nineteenth century presented considerable problems for small family businesses. This paper addresses these problems and shows how the firm overcame them to become such a successful merchant house. What business strategies did the firm adopt? Edward Johnston seems to have been something of a risk taker. While many British traders, especially in Latin America, assumed the risk-averse status of commission merchants, relying on importing British goods for local sale, Edward Johnston quickly preferred to buy and sell on his own account. While he continued to import British and foreign manufactures his specialisation was not return cargoes directly to the UK but to buy Brazilian coffee for sale in Europe and the United States.

What factors enabled Johnston and his sons to develop a business which became the market leader during the third quarter of the nineteenth century? The paper concentrates upon five areas: the role of the entrepreneur; the strengths and weaknesses of the family business; the importance of business networks; the impact of their specialisation and diversification strategies; and, finally, the trading arrangements of the international coffee trade.

Keywords: trade; coffee; entrepreneurship; networks; risk.

Chris Grocott (University of Leicester)

Business at Two Peripheries: The Gibraltar Frontier, 1890-1945 (Parallel Session 3B)

In the period 1890-1939, business in Gibraltar operated at two peripheries. The first and most striking aspect of Gibraltar's peripheral nature was its frontier position as a British imperial outpost perched at the most southern tip of the Iberian Peninsula and sharing a frontier with Spain. The second and less immediately obvious periphery was that between two very different tax regimes. On the one hand, Gibraltar itself had virtually no taxation of any kind, whilst on the other hand Spain was a notoriously high-tax economy. This paper examines how businesses in Gibraltar were able to take advantage of this dual periphery. On the Gibraltar side of the frontier, businesses could sell goods such as tobacco cheaply in the knowledge that they could not be blamed directly if others subsequently smuggled these goods into Spain. Whilst on the Spanish side of the frontier, migrant workers, numbering in their thousands, offered Gibraltar's merchants both cheap labour and a ready-made set of couriers for contraband goods which workers took into Spain to sell in order to supplement their wages. When combined with the shipping trade from the imperial metropolitan, and the supply of Gibraltar's garrison by local businesses the money for which came from the imperial treasury, the result of Gibraltar's location on the geographical and economic peripheries of the British and Spanish state was to establish in Gibraltar a 'sponge' for capital that considerably benefited the incomes of the local entrepreneurial community.

Keywords: Gibraltar; British Empire; Spain; smuggling; frontier.

Dr Armin Grünbacher (Department of History, The University of Birmingham)

Economic Cold War: An Anglo-German Comparison of the CoCom Embargos against the Eastern Block, 1948-54 and in the 1980s (Parallel Session 3A)

The top secret 'Co-ordinating Committee for Multilateral Export Controls' (CoCom), set up in 1948/9 by the Americans in response to the Soviets' Berlin Blockade, is one of the lesser researched topics of the Cold War. Most research done on the subject addresses the (American) political dimension of the programme and almost completely neglects the economic and business side, in particular how European exporting companies were affected by the embargo.

My paper will investigate the actual economic impact the CoCom embargos had on Britain and West Germany during the early part of the Cold War, as well as CoCom's impact during the '2nd Cold War' under Ronald Reagan during the early and mid-1980s.

Especially (West) Germany suffered initially greatly from the loss of its eastern European markets after WW II, markets which before the war had taken up to 15 to 20 per cent of German exports (with a staggering 50% of German machine tool exports going to the Soviet Union in 1932). For Britain, the embargo was bad for two reasons: first, it was a severe handicap for the country's export drive; secondly, with Germany forced to look for new markets elsewhere, Britain faced a new competitor on its traditional export markets. As such it is not surprising that both countries, but especially Britain on behalf of the semi-sovereign West Germany, tried to get the embargo lifted or at least eased in the early part of the Cold War.

During the '2nd Cold War' of the 1980s the situation in both countries had changed significantly: despite West Germany's reinvigorated 'Osthandel', trade with the East was now only a minor export field; and Britain's Margaret Thatcher had become Reagan's strongest ally, who was more concerned with fighting communism than promoting British industry and exports.

Based on the previously unused CoCom archives in Paris, I want to shed light on the economic impact the embargo had on both countries and if and how they tried to overcome the American imposed CoCom trading restrictions.

Carlos Gabriel Guimarães (University Federal Fluminense/University of York - CEGBI)

The British Presence in Brazil: The Case of the Firm Edward Johnston & Co. and the Overseas Banks, London and Brazilian Bank Limited and Brazilian and Portuguese Bank Limited (Parallel Session 4C)

During the Brazilian Empire (1822-1889), the high presence of foreign capital was related to the Imperial State's political stability, the increase of coffee production in the region of Rio de Janeiro (the most important coffee producing region in the world at the time), and to the adoption of contractionary metals-based monetary policies. These factors provided the macroeconomic conditions which fostered inward investment, particularly British investment, in key sectors indirectly related to coffee production and trade, such as banking and transportation, in particular railroads.

Drawing on archival research conducted in Brazil, Portugal and United Kingdom (eg. at the National Archives and National Library in Brazil, Arquivo Historico do Ministerio das Obras Publicas in Portugal, and British Library), this paper focuses on the activities of some entrepreneurs who created what later became major international financial institutions in Brazil. Such entrepreneurs included the English businessman Edward Johnston, principal director and manager of the firm Edward Johnston & Co., and the Portuguese businessmen João José dos Reis (Count of Saint Salvador of Matosinhos) and Rodrigo Pereira Felício (Count of Saint Mamede). They organised their 'overseas banks' in association with bankers and entrepreneurs in London. Johnston founded the London and Brazilian Bank Limited, and Reis and Felício founded the Brazilian Portuguese Bank, renamed English Bank of Rio de Janeiro in 1867. The rise of these international financial institutions with unusual corporate governance structures raises several questions: What was the principal motive for creating banks in London with branches in Brazil? What types of enterprises and strategies did they pursue in the Brazilian marketplace? And what was the reaction of Imperial banks to British competition?

Keywords: Empire of Brazil; Overseas Banks; English commercial firms.

Sheryllynne Haggerty (University of Nottingham)

Structural Holes and Bad Ideas: Liverpool's Atlantic Trade Networks in the Early Eighteenth Century (Parallel Session 1A)

The study of commercial networks by historians has become increasingly sophisticated in recent years. Rather than accepting their innate good, questions have been asked concerning network failure, change over time, the difficulty in constructing and maintaining networks, and who has power within them. These questions have helped us to better understand the function, growth and failure of networks in the early-modern Atlantic. However, these questions all assume the existence of (semi-) functioning networks. Far less work has been conducted on the problems inherent in developing networks. This paper takes Ronald Burt's concept of structural holes as a start point. In particular it develops his idea that actors bridging structural holes are in a favoured position to use asymmetrical information to their own advantage; that is, there are opportunities for misgovernance and fraud.

Using a case study approach this paper asks: what were the consequences of under-developed or developing networks for commercial exchange? In 1711 the *Providence* left Liverpool for a planned voyage to Dublin, New York, Antigua and back to Liverpool. The voyage did not go as planned, and the vessel did not return to Liverpool until seventeen months later. Although there were good metropolitan networks in Liverpool, the same could not be said of those around the Atlantic. Using evidence from a case in the Court of Exchequer this paper highlights some of the possible consequences of the lack of good or complete commercial networks: fraud; asymmetrical information (if not outright moral hazard); a lack of clear options; long, time-consuming peripatetic transactions – all leading to increased information and transaction costs, as well as the possibility of fraud. This does not necessarily mean that this network failed or was failing, but demonstrates that networks are a process, and that they can be extremely problematic when they are in a developmental stage.

Keywords: Atlantic; networks; Liverpool; structural holes; fraud.

Barbara Hahn (Texas Tech University)

Information from India: The East India Company and Domestic British Textiles (Parallel Session 4D)

In the late eighteenth century, at the time of the Industrial Revolution, British textile manufacturers paid attention to trade with the periphery, India especially. The traditional view of their interactions is competitive: shipments of textiles, delivered to London by the East India Company, threatened British cotton manufacturers by glutting the market and driving down prices for their goods.

The records of Samuel Oldknow provide a different example. Known to his biographer as the first successful British weaver of calicoes, his prices were indeed threatened by imports from India. However, he also used the sales of imports to gather valuable information about his markets. Always attentive to fashion, his visits to the East India Company's sales indicate his hearty interest in what sold well and how his producers (and later, his factories) could make to satisfy his markets.

A great deal of the history of the Industrial Revolution hinges on quality rather than price distinctions, and this paper fits with that body of scholarship. While prices did matter a great deal to producers and consumers alike, desirable characteristics played an important role in setting the priorities of producers in meeting the imagined needs of their consumers.

Keywords: Industrial Revolution; East India Company; imports; consumption; information.

Sebastian Huempfer (University of Oxford)

Business Elites and US Trade Policy, 1945-67 (Parallel Session 3A)

This paper examines the trade policy views of business elites in the United States after World War II, drawing on a wide range of archival sources. These include the records of the National Association of Manufacturers, the National Foreign Trade Council, the US Chamber of Commerce and several state and local chambers of commerce, the Kennedy Presidential Library's collections, the European Cooperation Administration's records and the personal papers of a number of influential business leaders. I show how the free trade consensus of the early postwar years, built on the perceived need to stabilise Western Europe by promoting the importation of Western European goods into the US, eroded during the 1950s, leading first to a standstill in US trade policy and then to a renewed but highly contested push towards further liberalisation in the 1960s. This development was driven in part by Western Europe's economic resurgence, but also by the Soviet Union's perceived economic success, decolonialisation, and the emergence of a US balance of payments deficit. My main argument is that the balance of payments was a key driver behind the early postwar free-trade consensus and its subsequent erosion, which has been overlooked in the existing literature.

Keywords: business associations; trade policy; political economy; chambers of commerce; lobbying.

Derek Janes (University of Exeter)

The 'Damnified Teas' Imported from Gottenburgh: The International Smuggling Trade of the North Sea (Parallel Session 4E)

The high level of taxation applied to tea – up to 119% - together with the import monopoly enjoyed by the East India Company, drove it into the realms of a luxury product. Both the Swedish and Danish East India Companies had business models which relied on the illegal import of tea into Britain. This paper analyses the workings of this trade by examining the trade in one northern port, Eyemouth, and develops the proposition that there was a specifically 'northern' smuggling, one of the effects of which was to make tea affordable to a wide cross section of the population and establishing 'Gottenburgh Teas' as a brand, known for quality and cheapness.

John Killick (University of Leeds)

Merchants and Politics in Early Nineteenth Century Britain and America: Thomas Cope and William Brown, 1802-1860 (Parallel Session 1A)

Characteristically social historians have stressed the extra business activities of the leading early nineteenth century merchants, while business historians have discounted them. Contrast for instance Edward Pessen, *Riches, Class and Power before the Civil War* (1973) with Alfred Chandler's classic, *The Visible Hand: The Managerial Revolution in American Business* (1977). This paper therefore examines the non-business operations of two leading early nineteenth century business men – Thomas Cope of Philadelphia (1768-1854) and William Brown (1784-1864) of Liverpool to see just what merchants could do. These men were unusually active, but their careers suggest the possible.[1]

Thomas Cope founded the Philadelphia to Liverpool sailing packet line in 1822. William Brown was head of Brown-Shipley, the Liverpool branch of the Anglo-American merchant banking house of Alexander Brown and Sons. Brown-Shipley were Liverpool agents for Cope's shipping line for 50 years, but the line was a minor interest for both men. Cope had hoped to retire from commerce early, but was repeatedly frustrated until 1829 when his sons took over the line. Brown Shipley had far wider interests than Copes, and in 1846 William Brown entered Parliament, and delegated detailed management of the firm to partners.

Cope was elected to the Philadelphia City Council in 1800 and helped introduce the first modern water supply in America. Later he was chairman, manager, director, member, or instigator of a wide variety of Pennsylvania institutions and good causes - the Pennsylvania Hospital, the Second Bank of the United States, the Chesapeake and Delaware Canal, Haverford College, the Philadelphia Board of Trade, the North American Insurance company, the Philadelphia Mercantile Library, the State Legislature, the City Council, the Pennsylvania RR, the Irish Famine Relief Fund etc. Apparently, whenever any major issue emerged in 1830s and 1840s Philadelphia, Thomas Cope was called to the Chair.

William Brown, similarly, took a leading role in the Mersey Docks Board, Liverpool banks, local railways, the City Council, and the William Brown Public Library. In Parliament, he became a free trader, and Anglo-American conciliator. He lacked the public charisma to become a leading liberal politician. However he had his causes – for instance the Parliamentary Select Committee on Decimals. Internationally he formed the Honduras Inter-Oceanic Railway – which was an attempt to compromise British and US ambitions in central America, and he chaired the first Transatlantic Telegraph Co.

Brown and Cope relied on their families to protect their commercial interests. William's younger brother John, like Cope served on the mother board of the BUS – an important national service that also provided vital insider information. Brown-

[1] For brief accounts of Thomas Cope, Alexander, William, the other Brown brothers and Joseph Shipley see my entries in the *New Dictionary of National Biography* and the *American National Biography*.

Shipley were central in the famous 1837 banking crisis – a sort of 1830s' Lehman's – but William's partner Joseph Shipley squared the Bank of England. However James Brown, another brother, the senior partner of the New York branch, had few outside public concerns – but interested the firm in the famous Collins New York to Liverpool steam packet line. William was furious. He was reluctant to sacrifice his Parliamentary time, and wanted to focus the firm's interests. Cope's sons also served the community and protected the family interests – for instance as directors in the Chesapeake and Delaware Canal, and the Philadelphia Steam Tow Boat Co.

Cope and Brown attempted to introduce efficient management both in their own firms, and the semi-public institutions they organised. Packet lines offered carefully organised and timed services. The Brown firms carefully planned financial flows between branches, and developed principled lending and reporting policies. These ideas Brown and Cope took over to the management of their public institutions. For instance Cope divisionalised the construction of the Chesapeake and Delaware, and organised an embryonic management structure in the Pennsylvania Railroad. In general, both men supported local transport, banking and charitable institutions, and liberal free trade principles, hoping they would play back not only to the advantage of their communities, but also indirectly – by supporting city trade – to their own firms.

Seung Woo Kim (University of Cambridge)

Contesting 'Efficient' European Capital Markets: The Political Economy of the Birth of the Eurobond Market, 1962-1964 (Parallel Session 3A)

The Eurobond market symbolises the re-emergence of global finance for it enabled the cross-border capital movements and the integration of national capital markets. Historians as well as practitioners have focused on the heroic achievement of innovative international bankers who successfully circumvented hefty domestic regulations and protected interests of investors and the deliberate efforts by the UK monetary authorities to resurrect the City of London as a capital entrepôt from the US dollar-denominated bonds. However, these 'canonical' accounts generally assume the *ex-post* stylised characterisation of Eurobonds, especially from the *Autostrade* issue in July 1963. Moreover, contemporary market participants regarded such bonds as one type of international long-term issue newly emerged within European financial centres since 1957. In other words, there existed other options such as the units-of-account loans that could have become 'Eurobonds.' At the same time, the attitude of continental European monetary authorities also monitored the nascent development for its impact on the balance of payments and domestic monetary policy. These problematisations require an examination of the way in which a certain type of foreign currency denominated bonds gained prominence at the expense of others as a result of cooperation or contestation by the Western monetary authorities. This paper contextualises the birth of the Eurobond market within the context of contemporary international monetary politics of US balance of payments deficits and continental Europe's efforts to control the new capital markets. Using original documents of the Working Party No. 3 of the Economic Policy Committee of the OECD, the Bank for International Settlements, the Bank of England, and the National Archives, this paper argues the 'regulatory vacuum' from the conflict between US and continental Europe concerning the 'efficient European capital markets' granted opportunities for the UK monetary authorities to incubate the US dollar-denominated bonds in the City of London.

Keywords: Eurobond market; units-of-account loans; US balance of payments deficits; the Working Party No. 3 of the Economic Policy Committee; the Bank for International Settlements.

Arun Kumar (Lancaster University)

A Brief History of Managing Development: Experts, Professionals, and Strategy in the Management of Philanthropy in India (Parallel Session 4A)

The Box numbered 176A, as part of the archival records pertaining to philanthropy, at the Tata Central Archives (TCA) contains records of the JN Tata Endowment Fund, founded in 1892 to support the higher education of Indians abroad, as part of India's on-going development. It contains a file with records of all the post sent out on behalf of the Fund and its costs from August 08, 1964 to September 24, 1965. While this seemingly quotidian document can be dismissed as irrelevant to the history-writing of the organisation and management of Tatas' philanthropy, I would argue otherwise. The file is insightful in that it provides a glimpse into the work and processes that needed to be *organised* in the pursuit of development. It is indicative of the tendency to record all such *organised* work in minutiae, as well as keep track of all the associated costs of *managing* development, however small.

Keeping such records of minor expenses can also be read as part of the Trust's emphasis on the maintenance of *accounts*, and its significance to the development enterprise more generally. And lastly, that keeping records of such records of accounts is, in some ways, indicative of the place of management and organisation of development, in relation to development itself.

In this paper, I trace the history of managing development by focussing on the organisation and management of Tatas' philanthropy[1] over the course of the twentieth century. I discuss three key ideas – first, that management was conceived of as indistinct from development, that is not necessarily in service or support of it, but alongside it.

Secondly, that the expertise who were expected to lead development at different times over the course of the twentieth century has shifted considerably over time: starting from the scientific experts from the metropole in the colonial period, to the professionally trained social workers in India, professional development managers, and more recently, technical experts. Thirdly, I discuss the strategies that were deployed by the Tatas to organise and manage their development, which I discuss in two parts, at the time of institutionalisation of scientific philanthropy in the 1930s, and later post 1990s, where neoliberalism and increasing managerialism transformed the contours of development management.

In so doing, I build on and provide a counter to the recent criticisms of development management.[2] I locate the rise of development management, not in the specific geo-

[1] Since 1892, eleven further philanthropic foundations were established through the personal wealth of various members of the Tata family, each of which continues to be active. The Trusts support development work in India variously through its endowment to the founding of large institutions pertaining to scientific research and training in sciences, social sciences, and performing arts; as well as its grant-making to other development organisations and individuals in the country in the areas of education, healthcare, livelihoods, arts and culture, and social inclusion.

[2] The field of management and organisation studies (MOS) has provided an insightful historical criticism of the organisation and management of international development. In this, development and management, separately and together, have been identified with and critiqued for their collocation

politics of the post-World War II period, following post-development studies; but elsewhere, variously, as part of colonialism's logic of the superiority of the 'West', in the nation- building project in post-colonial India, which required a cadre of professionally trained social workers as well as the Indianisation of the social sciences, and later development managers, for the on-going modernisation in the country. I further argue that the recent managerialism introduced variously through strategy-making and professional managers in development are not simply attributable to instantiation of neoliberalism as the dominant development framework, but present an on-going continuity of the calculus of effectiveness and social utility, which was based on the groundwork on scientific fact, and which was introduced into the Tatas' philanthropy as early as the 1930s, and that is only seeing a resurgence now.

Keywords: Development; managerialism; modernisation; nation-building.

within the registers of modernity, and as defined by identical values of objectivity, autonomy, and control. The management of international development, or development management has been traced variously as continuities of colonial administration and more recently, as a device for opening up the economies of the developing world to neoliberalism. Elsewhere, it has been argued that the growing managerialism only works to make real, and fixed, the fictional categorisations such as the Third World and Latin America. Still others conceive of development management as part of a new global managerialism, which elides ideology, and which claims to be objective, neutral, but also universal like development.

Brent Lane (University of North Carolina)

The Limits of Adventure: Speculative Finance and Elizabethan Era Exploration (Parallel Session 3B)

Between 1540 and 1620, European efforts to settle eastern North America progressed slowly from efforts such as the failed colonies by the French at Charlesbourg Royal and the English at Roanoke to the eventual success of the Spanish at St. Augustine and the English at Jamestown Virginia. Over the same period emerging scientific fields – including chemistry, botany, biology, cartography, and ethnography – were evolving as distinct separate disciplines from their progenitor cosmology and alchemy origins.

These concurrent developments converged as the sponsors and investors of European exploration and settlement endeavors, made skeptical by repeated failures, sought increasing assurances that the schemes of promoters were sound and their results verifiable. The demand for 'scientific expertise' to mollify investor wariness was especially pronounced in the wake of the spectacularly unsuccessful Frobisher expeditions of 1576-78 in which the financial losses to the English crown and numerous individual English 'adventurer' investors resulting from inaccurate metallurgical assaying of gold 'ores' created a poisonous environment for speculative investment in New World settlement promoters.

One such promoter, Sir Walter Ralegh, sought to counter investor skepticism through an emphasis on scientific expertise as an integral component of exploration and colonisation. His 1584-90 Roanoke Colony expeditions emphasised the inclusion of recognised scientific and technical experts and the performance of credible research. A previously unknown manuscript recently discovered by the author provides the first description of the investment proposition Ralegh offered prospective investors in his Roanoke venture. Combining analysis of that document with other recent archaeological and cartographic discoveries related to the Roanoke Colony and other contemporaneous efforts, I will describe how a growing reliance on private investors to support exploration and settlement elevated the role of scientific expertise to a necessity.

The paper consists primarily of new information drawn from recent archival, cartographic and archaeological findings related to the Roanoke ventures of Sir Walter Ralegh that has not been previously published. The paper uses a novel form of heritage economics interpretation of the role of the changing speculative investment environment in influencing the nature, objectives and execution of Early Modern colonisation.

Keywords: Exploration; finance; entrepreneurship.

Joyman Lee (Pacific Lutheran University)

Building Rural Industries in China and the Role of Japan, 1895-1915 (Parallel Session 4A)

As a result of China's defeat to Japan in 1894-95, Chinese policymakers and local elites in coastal provinces paid acute attention to developments in Japan. Following Chinese attendance of the Fifth National Industrial Exhibition in Osaka in 1903, Yuan Shikai launched an ambitious industrial development program in the form of the Zhili Industrial Crafts Bureau (Zhili Gongyi Zongju). Although the bureau was based in Tianjin, its stated aim was to transform attitudes toward industries in small county towns and rural areas, with a particular focus on the dissemination of information, technical education and the import of appropriate technologies. My paper shows that the relative decentralisation of the Chinese state in the *xinzheng* period did not preclude an effective policy at the provincial level, at least in hinterland regions close to the political core. By linking social and economic policy at the center with that in Zhili province through the perception of Japan's example, I argue that the adaptation of the Japanese approach to building rural industries created a 'Japan-Zhili model' of Chinese economic development that challenges the treaty port-centered narrative of industrialisation centering on Shanghai.

Keywords: Information; Economic Development; Rural Industrialisation; Technology Transfer; Economic History of the Global South.

Adrian Leonard (University of Cambridge)

Insurance at the Periphery: Transcending Imperial Frontiers (Parallel Session 1A)

A sophisticated network of risk transfer facilities and procedures had evolved across the Atlantic trading area by the mid eighteenth century, to insure commercial vessels and their cargoes. In this period the customs and conventions of European, and particularly British, marine insurance practice were exported to the Americas, where they served as an essential catalyst to commerce. In some cases merchants turned to London for marine insurance, but as the period progressed local underwriting gained increasing traction, and became an entrenched component of business at the periphery.

Once the broad picture is set, a case study within this paper examines the underwriting activities of the Rhode Island merchant and entrepreneur Obediah Brown. Brown's unique insurance records reveal the breadth of North American mainland trade into the Caribbean and the broader Atlantic World, and shed light not only on well recognised exchanges with British sugar islands, but also with the colonies of Britain's belligerent rivals and Caribbean free trade zones, thereby illustrating the frequent mismatch between business at the periphery of empire, and the frontiers of empire itself.

Keywords: marine insurance; Atlantic trade; centre and periphery; business practice.

Angus Mackenzie (University of Glasgow)

Economic Unionist Nationalism in Inter-war Scotland (Parallel Session 1B)

This paper considers the response of the Scottish business community to the inter-war trade slump. Specifically, it addresses the actions taken by a handful of forward-thinking industrialists to defend Scotland's faltering heavy industries and accelerate diversification. These industrialists were at the vanguard of rationalisation in Scotland, but they were also closely aligned with the growth of corporatism, creating the Scottish National Development Council and the Scottish Economic Committee in the 1930s. At the heart of these strategies was a belief that the answer to Scotland's ills lay within Scotland itself. The inter-war generation of Scottish industrialists – U.K. figures like Lord Weir or Sir James Lithgow – were Unionists to a man, yet their interventions stressed Scottish exceptionalism. The paper examines how the leading business figures shared their vision with progressive elements of Conservatism, embracing economic planning and working in concert with an enhanced Scottish Office. By the late 1930s, the key Scottish industrialists had emerged as part of a new, more consensual, political and economic nexus. War disrupted the momentum, but the ideas which gained currency in the 1930s provided the blueprint for Scotland's post-war economic development.

Brian Massey and Jim Quinn (both of Trinity College Dublin)

From Local Co-op to International Agri-food Leader: The Evolution of Kerry Foods (Parallel Session 4B)

One of the outstanding features of Irish economic development has been the consolidation and transformation of the Irish Agricultural Co-operative Movement, which was made up of hundreds of local and regional farmer owned entities, into a small number of globally successful Agri-food Plcs. This paper discusses the transformation of one of the most regionally challenged of these co-ops - Kerry Co-op from its small original base in Listowel, County Kerry during the 1960s into one of the world's largest and most successful food ingredients companies, Kerry Foods Plc, in the present day. It is derived from a larger longitudinal study of the relationship between entrepreneurship, strategy process and industry evolution and draws on the explanatory power of theories and frameworks from these domains. The study reveals how, through the assembling of a cohort of high performance executives, the design and implementation of an effective strategy process, the ongoing redesign of the product portfolio over time and the rearranging of industry architecture to its benefit this small local cooperative transformed itself into a highly entrepreneurial and globally competitive Plc.

Keywords: entrepreneurship; strategy process; industry evolution; economic development; agri-food.

Bernard Mees (RMIT University)

From Prudence to Strategy (Parallel Session 3E)

Alfred Chandler is widely held to have popularised the notion of business strategy in his historical 1962 study *Strategy and Structure*. Yet the understanding that business strategy was first described by a business historian seems to forget the recurrent first-year textbook theme (after Fayol's *Administration industrielle et générale*) that planning is one of the four elements of management. Fayol, however, did not use the word 'planning' (French *planification*) in his celebrated 1916 work; rather he spoke of *prévoyance*, translated by Storrs as both 'planning' and (more literally as) 'foresight'. Nonetheless the usual gloss for French *prévoyance* is 'prudence' (Aristotle's *phronêsis*) – Fayol was advocating prudent management of the business enterprise. How prudence became strategy (a military metaphor) remains a largely forgotten, but watershed development in the history of management thought.

Keywords: strategy; Henri Fayol; Alfred Chandler; prudence; *phronêsis*.

Adolfo Meisel (Banco de la Republica, Colombia)

The Economics of a Large Hacienda in the Colombian Caribbean: Las Cabezas, 1824-1942 (Parallel Session 3C)

The seven departments of the Colombian Caribbean comprise an area of 132.218 square kilometers inhabited by a population of more than nine million. The region has an average income per capita that is only about 70% of the national average and its population has indicators of quality of life that are lower than those of the rest of nation's inhabitants. This is especially true of the rural areas, where poverty is widespread and the peasant population has limited access to land. This situation is in part the result of the predominance of large haciendas dedicated to cattle raising using extensive technology, with limited linkages, and limited absorption of labor, and a very poor peasantry dedicated to subsistence agriculture.

The origins of this agrarian structure can be found in the late colonial period, when the Spanish authorities gave out enormous tracts of land to the white elite composed of descendants of Spanish colonisers and recent Spanish immigrants. The persistence in republican times of the hacienda as a basic institution of the rural Colombian Caribbean has contributed to a pattern of extreme social and economic inequality observed in the region to this day. Thus the study of the evolution through time of the hacienda is very important to understand the economic history of this region. Because of limitations of information, there are very few case studies of large haciendas over an extended period of time. In this study we have reconstructed the history of the largest cattle hacienda in the Colombian Caribbean, Las Cabezas, and using documentation in the hands of descendants of the owners as well as local public archives, which had not been researched until now.

The Hacienda Las Cabezas was located in the southern part of what is now the Department of Cesar. For two centuries, 1740s to 1942, it was owned by the same family, the Trespalacios, which descended from the colonial nobility of the Viceroyalty of New Granada, established in the town of Mompox. The founder of the hacienda was the second Marquis of Santa Coa. When it was established in the eighteenth century Las Cabezas had around 9.000 hectares and was dedicated to cattle ranching using slave labor. In the nineteenth century it expanded territorially and by the early 1920s it had an extension of 110.000 hectares and some 40.000 heads of cattle. This cattle was sold in the national market. When transported to the market the cattle were walked to the Magdalena River, a journey that took two days, and then it was transported in steamboats to the main markets.

Up to the middle of the nineteenth century most of the labor used in Las Cabezas came from the slaves owned by the hacienda. However, slavery was abolished in 1851 and from then on the labor used was comprised by poor peasants of mixed race, mestizos, mulattos, and zambos, or blacks, from the zone which were provided with a small salary, food, and often small plots to cultivate. The social relations between the owners of the hacienda and the workers were very paternalistic and characterised by an enormous difference in wealth, education, and opportunities.

The land occupied by Las Cabezas can be best described as dry tropical forest. The rain periods were very clearly delimited with a rainy season extending from May to

December and a dry season from January to April. There were basically two types of terrains in Las Cabezas, savannas and *playones*. The latter were the areas adjoining the rivers and which were inundated during the rainy season. During the dry season the savannas lost their pasture so the cattle had to be moved to the *playones*, which remained humid and with pasture. When the rains returned, the *playones* became covered with water and the cattle was returned to the savannas.

In the early part of the twentieth century the descendants of the Trespalacios intermarried with members of other prominent families of Mompox, the Piñeres and the Fernandez. Thus the hacienda was administered jointly by the Trespalacios, Fernandez Trespalacios, and Piñeres Trespalacios. However, increasingly there were tensions between the different branches of the family and Las Cabezas was broken up in 1942 among the owners. Which for a couple of decades maintained the property although divided in smaller sections. Beginning in the 1960s the descendants of the Trespalacios started to lose control of the land they had owned for two centuries. In the late 1960s a government sponsored agrarian reform lead to the expropriation of part of the land: that which was no considered to be adequately exploited according to the criteria of the government. Then in the 1970s, all through the Caribbean region a well-organised peasant movement (ANUC) promoted systematic invasions of land owned by large haciendas. Las Cabezas was no exception and the Trespalacios lost part of their land in this manner. Finally, an increase in guerrilla activity in the region lead to increasing danger of kidnapping of hacienda owners and most of the members of the Trespalacios family sold the remaining land they owned from what had been Las Cabezas.

Because for many years it was the largest cattle hacienda in the Colombian Caribbean, because for more than two centuries it was owned by the same family, and because it was always dedicated to the same economic activity, the study of the history of Las Cabezas is very helpful for an understanding of the characteristics, changes and limitations of the economic activity of hacienda in this region. Thus we may be able to explain the role of the hacienda in why this is currently one of the poorest areas of Colombia.

Peter Miskell (Henley Business School, University of Reading)

International Film Co-productions in Post-war Europe: Evidence from the Italian Market, 1957-71 (Parallel Session 1B)

The film industry in the post-war decades has been cited as a classic example of an industry in transition from vertical integration to flexible specialisation. Large firms that directly owned and controlled processes of film production, distribution and exhibition gradually gave way to a plethora of small, independent and highly specialised firms which came together in various combinations to produce and bring to market individual film projects. Film production in most countries remained concentrated in specific locations, but these were characterised by networks of small, specialist organisations rather than being dominated by one or two major employers.
The post-war period also witnessed an increase in international co-operation between film producers. American firms produced growing numbers of films in foreign locations, often with local partners. In Europe, co-production agreements encouraged film-makers from different countries to work together in order to gain privileged access to multiple national markets.

The situation, in the parlance of contemporary economic geographers, was one in which the world was becoming ‘flat’ but also ‘spikey’ at the same time. Domestically, film production was organised within local networks where physical proximity and personal contacts were essential for success. Yet internationally, partnerships between producers based in different countries meant that film-making was becoming a more globalised activity. The post-war film industry, therefore, serves as an excellent case study not just for the study of business networks within specific creative clusters, but also for the analysis of the linkages and interactions between these different national production networks.

The paper does this by examining an original dataset containing information on all films released in the Italian market between 1957-71 (a total of over 6,400 films including 1,600 co-productions). Italy was Europe’s largest film market in this period and Italian firms were among the most actively engaged in international co-production. The information held within the dataset allows for the first large scale mapping of international film production networks in the post-war decades. In undertaking such an exercise the paper will address the following questions: to what extent were Italian producers central to film production networks in post-war Europe, and was network centrality linked to firm performance? Did different Italian firms prefer to form long term strategic partnerships with specific foreign producers, or did they co-operate with a wide variety of international partners (was there a trade-off between exploration and exploitation in this regard)? Do we see evidence that international co-productions (or certain types of co-productions) enabled Italian firms to access resources, in the form of creative talent, that were typically unavailable otherwise?

Gregory Morris, Lynne Oats (both of University of Exeter Business School) and Carlene Wynter (Aston Business School)

Development Land Tax and Tax Avoidance, or Never Underestimate Business Ingenuity (Parallel Session 2D)

Following the end of WWII, both Labour and Conservative governments sought to pass legislation that would have a direct, or indirect bearing on land economics (Blundell). In 1975, the Labour government introduced two linked, but separate measures: the Community Land Act, designed “to enable the community to control the development of land in accordance with its needs and priorities,” and the Development Land Tax Act, designed to “to restore to the community the increase in value of land arising from its efforts”.

The focus of this paper is the second of these measures, the Development Land Tax (DLT) which was designed to bring into the tax net gains arising from the realisation of development value. DLT was initially charged at a rate of 80% on the increase in value of the relevant land (referred to within the legislation as ‘development value’), with the intention of increasing the rate to 100%. However when the Conservative government came to power in 1979 it was reduced to 60% and eventually repealed in 1985.

The purpose of this paper is to trace the history of the introduction of this convoluted tax and explore aspects of its operation, in particular, the apparent ease with which, notwithstanding the complexity of the legislation, corporations sought to by-pass the effects of the legislation and its somewhat draconian consequences. The focus of this paper is on what appears to be the simple device of splitting a large land transaction into a number of transactions, each of which involved a smaller parcels of the said land. As is also common in many parts of the UK tax code, the development land tax legislation contained a *de minimis* threshold. This was to assist in the simplification of the administration of DLT by not including within the tax charge transactions with a value of less than £50,000, it was not worth bothering with ‘small’ transactions.

The paper addresses and considers one particular case. In this case, the taxpayer, Bowater Property Developments Ltd, when faced with the possibility of crystallising a liability to DLT sought to circumvent the tax by exploiting the *de minimis* threshold.

The case raises questions about the extent to which the regulatory system is effective in the face of contrived arrangements, notwithstanding the apparent determination of the Revenue to impose and understanding of the tax code that aligns more with internal Revenue policy than the independent judgement of the courts. It is also a salutary reminder of the fragility of the process by which tax policy is translated into legislative form.

Keywords: Development Land Tax; tax avoidance.

Anne Murphy (University of Hertfordshire)

'Who's Guarding the 'Guardian Of Public Credit'? The Protection of The Bank of England During the Later Eighteenth Century' (Parallel Session 4E)

By the late eighteenth century the Bank of England managed a significant proportion of the national debt, acted as banker for the state and the London business community, and provided a trusted connection between government and the public creditors. The Bank's ability to perform these functions depended in no small part on it being able to demonstrate that its business was solid and secure. This paper will investigate how this was achieved through the practical measures taken by the Bank's directors and senior servants to protect their organisation from internal and external threats from embezzlement, fraud and theft. It will also consider the institution's use of symbolic displays of security and integrity.

Pedro Neves (Lisbon School of Economics and Management, Universidade de Lisboa) and Álvaro Ferreira da Silva (Nova School of Business and Economics, Universidade Nova de Lisboa)

Corporate Networks in the Periphery: Dynamics of the Portuguese Business System, 1913-2010 (Parallel Session 2A)

The literature on corporate networks is already extensive, based on different theoretical approaches, resorting to diachronic or synchronic analyses (see David and Westerhuis, 2014, for a recent literature review). Different types of market economies (Hall and Soskice, 2001) may explain corporate networks with distinct shapes, depth, and evolution (Maclean et al., 2006). Using data for one century of interlocking directorates this study raises another explanation for differences in the cohesion and resilience of corporate networks. In Portugal, very low density levels are a long-term characteristic when one looks to the evolution of corporate networks over one century (1913-2010). This cannot be attributed to the structural dominance of market-driven institutions, typical of the liberal market economies, using the 'varieties of capitalism' typology (Hall and Soskice 2001). This structural low density is mostly the result of a business system where small firms have dominated. Using the metaphor that Langlois (2010) proposed, small and flat- hierarchical firms would be the 'natural state' of the Marshallian forest. In such a business system atomisation is the rule and strong corporate networks do not prosper in this environment. This conclusion re-aligns the relationship between the varieties of capitalism and the density of corporate network. Previous studies have been mostly concerned with mature economies where denser networks are a consequence of more coordinated forms of capitalism and lower network density involves liberal market economies. Economic backwardness may generate similar conditions for corporate networks where low density dominates. Under such circumstances, business systems would fail to spin off large and dense interlocking ties.

Muriel Petit-Kończyk (North of France University (Lille2))

Case Study of a Series of Mergers in the French Steel Industry from 1840 to 1940 (Parallel Session 4B)

In the early nineteenth century, mergers were not well documented, but it was not uncommon for a target to disappear after a takeover. Thus it was really a challenge for the French steel group, Châtillon Commentry Neuves-Maisons (CCNM) to survive during the first industrial revolution and then to stay alive despite the waves of mergers of the second industrial revolution. In this article we analyze the series of successive CCNM mergers from 1848 to 1938. The group's longevity is explained by modern concepts in the financial literature. CCNM was always ready to take advantage of the windows of opportunity offered by the stock market to finance its acquisitions. The group preferred to use excess cash flow to finance its acquisitions and increase its size than increase payouts to shareholders. In post-merger periods, the success of the integration process required some strategic alliances to be made. In contrast the Hubris Hypothesis and capital market discipline may have been harmful to the longevity of its targets.

Keywords: acquisition; merger; financial management; history; steel industry; longevity; alliance strategic; windows of opportunity; takeover; French firm.

Zoi Pittaki (University of Glasgow)

Facing a 'Sibylline' Authority: Views and Facts Regarding Industrial Development and the Tax System in Greece, from the Mid-1950s to the Late 1980s (Parallel Session 2D)

In *Why Nations Fail*, Acemoglu and Robinson analyse how differences in the quality of institutions can explain differences in economic growth between various geographical and economic regions. The present thesis employs this idea on a national level in order to examine how interaction with the institution of taxation, and more specifically, relations with the tax authorities, affected the development of the Greek manufacturing industry from the mid-1950s to the late 1980s.

The analysis shows that problematic relations with the tax authorities stemming predominantly from the tax officers' arbitrariness when assessing tax liabilities functioned as a disincentive for industrial investment by giving rise to a climate of uncertainty with regards to firms' actual tax burden, something that made business planning a difficult task, and thus, discouraged investment. This was so in a period which, in its biggest part, was characterised as the 'golden era' of the Greek economy, in a similar fashion to many other European countries at the time.

This research draws on a variety of primary sources, ranging from newspaper reports and magazine articles to minutes of Parliamentary discussions, archival material from individual companies, Board Meeting minutes from organisations such as the Hellenic Union of Corporations and Limited Liability Companies, but also interviews with entrepreneurs who held executive positions in the Federation of Greek Industrialists as well as retired officials of the Ministry of Finance who had first-hand experience of the Greek tax system's administrative rigidities throughout the thesis' period of analysis.

Keywords: Tax authorities; investment; manufacturing industry; Greece.

Andrew Popp (University of Liverpool)

Folk Industries, Folk Methods, Folk Histories: Writing the Histories of Rural Trades (Parallel Session 3C)

How can we write the histories of rural trades, many of them performing a rough admixture of making, service, distributive, and retail functions, given the paucity of sources? Governed by custom and informality, enmeshed in community and continuity, inhabiting strongly oral as opposed to codified cultures, such trades, though once very common, tended to leave few records. Yet, as Bergenfeldt, Olsson and Svensson (2013) have demonstrated, developments in such rural trades as the cart builder and wheelwright could significantly impact economic and social change.

George Sturt described his own family wheelwright shop as a '"folk" industry, carried on in a "folk" method.' It was a trade he celebrated in what might be described as a 'folk history,' *The Wheelwright's Shop* (Sturt's book, published in 1923, attained a certain cultural salience, being championed by leading literary scholar F.R. Leavis). This paper will read Sturt's book, alongside Walter Rose's *The Village Carpenter*, as both a primary source containing considerable direct evidence of these trades, and as a secondary source, as a business history in its own right, presenting compelling assessments of the priorities and values that ordered the running of this business and its relationship to the rural community of which it was a part. Both Sturt and Rose placed their strongest emphasize on a series of factors that would typically not be present in business sources, if they existed, and would be marginal features in the analyses of business historians: place, landscape, materials, men, tools, custom. Both make clear that the family firms they worked in were *businesses*, and ones that had to adapt (by, in the example of Rose, diversifying into funeral directing); nonetheless issues such as costs, prices, accounts, and profits are far from central. Thus, we are forced to rethink our categories. Reading Sturt's account against his private journal further allows us to the traps of memoir.

What then is a 'folk' industry? In using these sources the paper aims both to think about how we can write histories of rural trades and think about the place of rural trades in writing English history.

Keywords: Folk industries; rural trades.

Rosa Reicher (University of Heidelberg)

The Visible and External Boundary of Holocaust Commemoration in Britain (Parallel Session 1C)

'The whole world is made to pass through the filter of the culture industry'
[Adorno and Horkheimer, in: 'The Cultural Industry: Enlightenment as Mass Deception', 1944]

The proposal is intended to examine experiences, periphery and memories of the Holocaust in the cultural industries in Britain. The central interest is the (re)construction of a sensitive memory of the Holocaust through the drawing of boundaries defined in national, regional, social or cultural terms. The three main links that constitute the cultural industry chain are production, promotion and consumption. These links represent the culture triangle needed to energise an industry whose aesthetic nature and artistic values mirror the essence of human civilisation. The act of commemorating; an observance or celebration designed to honour the memory of some person or event.

Cultural industries, sometimes also known as 'creative industries' combine the creation, production and distribution of goods and services that are cultural in nature. In the context of Holocaust commemoration, the concept of cultural industries seems quite problematic. The notion of cultural industries generally includes textual, music, television, film production and publishing, architecture, the visual and performing arts, as well as crafts and design. The expression of 'Holocaust industries' establishes a connection between cultural industries and Holocaust commemoration.
The risk of presenting images in the context of Holocaust is obvious, even as these images seem to convey evidence or iconic certitude, intense concerns have arisen about the propriety, in some cases even the possibility, of visually representing the reality of the Holocaust.

However visualising of the Holocaust is an essential feature in a successful conveying of Holocaust Memory. A critical perception of Holocaust memory allows interpreting in terms of the level of interaction with the cultural industries; participants are society actors, governments, national holocaust remembrance days, (Jewish) museums, remembrance places like in London the 'Holocaust Exhibition' in the Imperial War Museum, 'Holocaust Memorial Garden' in the Hyde Park, etc.

According to Michael Rothberg, 'Traumatic Realism: The demands of Holocaust Representation' the focus of the proposal discussion will therefore be the following central questions:

- What role do cultural industries and Holocaust commemoration play in the contemporary society of Britain?
- How are cultural industries and Holocaust changing in an age of globalisation?
- What kind of theoretical and methodological frameworks for the history of the experiences and memories of Holocaust exist in Britain?
- To what extent and in what ways have ideas and theories of cultural industries and collective memories of Holocaust been transferred in visualisation of Holocaust remembrance?

- What are the external boundaries of a meaningful Holocaust commemoration in a climate of threat and anti-Semitism?

Keywords: Holocaust commemoration; cultural industries; visualisation.

Janette Rutterford and Dimitris P. Sotiropoulos (both of The Open University)

How Influential were Early Ideas of Diversification? The UK Case, 1870-1902 (Parallel Session 1D)

From the 1870s there was an increased awareness among UK investors of the benefits of financial diversification – primarily putting equal amounts into a number of different securities – with much of the emphasis being on geographical rather than sectoral diversification and some limited discussion of avoiding highly correlated investments. The paper offers textual evidence from a series of financial advice documents in the late 19th century and the beginning of the 20th century of how investors perceived of risk and dealt with it in the Anglo-Saxon world. It also analyses the level of diversification in a set of 508 investor portfolios at death between 1870 and 1902.

In the then world's largest financial centre, UK investors understood very well the concept, if not the mathematics, of correlation, and their behaviour was consistent with the recommendations of modern portfolio theory in relation to portfolio selection strategies. This issue is important for two reasons: it discovers historical traces of ideas related to modern financial theory and sketches an alternative understanding of individual investment practices before Markowitz's mathematical formulation in the 1950s; it also highlights an aspect of investor behaviour which was left totally unnoticed by the mainstream economic theory of the time.

Keywords: diversification, portfolio optimisation, investment strategy, CAPM, MPT

Peter Scott and James Walker (both of Henley Business School at the University of Reading)

'Stop-go' Economics and the Decline of Britain's Consumer Durables Industries, 1945-1964 (Parallel Session 1D)

During the 1950s and 1960s 'stop-go' policies of macroeconomic demand management were often identified as a key driver of Britain's poor economic growth and productivity performance. However, while analyses largely based on qualitative sources have often supported this argument, those based on econometric analysis have generally rejected any clear relationship between the incidence of policy and the growth of GDP or manufacturing output. [1] Such analyses typically focus on macroeconomic data, rather than examining the microeconomics of stop-go or its impact on particular sectors. However, one early econometric study noted that relative stability of aggregate manufacturing output could potentially conceal important cross-country differences in the instability of individual sectors. If high-growth sectors experienced much higher instability than their low-growth counterparts, stop-go might indeed have a damaging economic impact, although proponents of this argument would have to explain why the cyclical fluctuations of sectors differed in the UK according to their potential growth.[2]

As this paper shows, 'stop-go' measures were heavily focused on a relatively small sector of the economy – the consumer durables industries. Hire purchase (HP) regulations, together with purchase tax rates, were frequently varied in an attempt to influence consumer demand for these goods. Such changes had a devastating impact on productivity growth and new product development in the sectors concerned, as these industries were particularly reliant on mass production methods for efficient production. For example in televisions – a sector characterised by rapid technological change – several firms found that the restrictions prevented them from selling large proportions of their current model ranges before they became technologically obsolete.

Our research employs a combination of archival research – using the records of leading consumer durables firms, trade associations, government departments and the Bank of England – and econometric analysis of the impact of changes in HP restrictions and purchase tax rates on monthly national sales of certain key consumer durables. Preliminary findings indicate that changes in HP rates had a profound negative impact on consumer durables sectors, depressing long-term growth, investment, productivity, new model development, financial stability and (through creating a climate of periodic overtime, followed by short-time working or lay-offs), industrial relations.

Keywords: Stop-go economics; consumer durables; demand management; economic growth; productivity.

[1] For summaries of this literature, see Nicholas Woodward, *The Management of the British Economy 1945-2001* (Manchester: Manchester U.P., 2004), pp. 80-83; Charles Bean and Nicholas Crafts, 'British economic growth since 1945: relative economic decline… and renaissance,' 131-172 in Nicholas Crafts and Gianni Toniolo, *Economic Growth since 1945* (Cambridge: CUP, 1996).
[2] Alan Whiting, 'An international comparison of the instability of economic growth,' *Three Banks Review*, 109 (1976), 26-46, pp. 41-42.

Galina Shyndriayeva (King's College London)

Peripheries of Style: The British Firm Bush Boake Allen and the Twentieth-century Global Perfume Industry (Parallel Session 3D)

The history of the twentieth-century perfume industry links luxury and chemistry, fashion and global supply chains. The centre of the industry, both in historiography and popular accounts, is taken to be France: Paris for retail and marketing and Grasse for production.[1] This attention on France can however obscure an entire network of innovative firms, significant markets and important sites elsewhere, which reveal a more varied and complex system of taste, expertise and trade. In this paper, using company archives, I will examine the case of three British essential oil and fragrance chemicals supplier firms in the interwar period: W.J. Bush, A. Boake, Roberts and Co., and Stafford Allen and Sons, which merged in the 1960s as Bush Boake Allen.

While peripheral in the story of Parisian elegance and Chanel No. 5, these East London firms were centres for innovation in perfume production, for example fostering links to the Dyson Perrins Laboratory for Organic Chemistry at Oxford. Their overseas factories, supply chains and export markets demonstrate the importance of sites such as Moscow, Australia and Sudan in the development of the twentieth-century global perfume industry.

Historians such as Geoffrey Jones have succeeded in showing that the history of the modern perfume and allied beauty industries is worthy of close attention and can reveal new aspects in the history of capitalism and consumerism.[2] Jones indeed set perfume as the pioneer capitalist industry in the beauty market, one which had the greatest influence on the development of the modern cosmetics business. Studying the case of Bush Boake Allen demonstrates that a global perspective on the peripheries of the perfume industry uncovers new centres of innovation and transnational connections.

Keywords: perfume industry; production; chemistry; global history.

[1] For example: Briot. Eugénie. 2008. *La chimie des élégances : La parfumerie parisienne au XIXe siècle, naissance d'une industrie du luxe*. (Conservatoire National des Arts et Métiers, Centre d'Histoire des Techniques et de l'Environnement). Feydeau, Elisabeth de. 2011. *Les parfums : histoire, anthologies, dictionnaire*. (Paris : R. Laffont).
[2] Jones, Geoffrey. 2010. *Beauty Imagined: A History of the Global Beauty Industry*. (Oxford: Oxford University Press).

Hugo Silveira Pereira (Interuniversity Centre for the History of Science and Technology, Faculty of Sciences and Technology, New University of Lisbon and the Institute of Railway Studies, University of York)

Managing Technology: The West of India Portuguese Railway Company, 1878-1902 (Parallel Session 3B)

On December 26 1878 Portugal and Britain signed a treaty of commerce and extradition to be applied in the possessions of both nations in India. One of the clauses of the treaty determined the construction of a railway between the port of Mormugão (in Goa, Portuguese India) and New Hubli (in British India). According to the agreement, the Portuguese government had to find a company or group of entrepreneurs capable of building and operating the line. If the British Government deemed the company reliable, it would support the construction of the railway in its territory.

In 1881 Portugal signed a contract with the Stafford House Committee to build a line between Mormugão and the border with British India in exchange for a guarantee of yield of 5% on a capital of 800,000 pounds sterling and 6% on additional capital above that figure (£550,000 as stated by two laws in 1885 and 1888). The British authorities agreed to extend the railway in their territory by authorizing the Southern Mahratta Railway Company to construct a line from New Hubli to the border of Goa. In 1881 the Stafford House Committee formed the West of India Portuguese Guaranteed Railway Company (WIPGRC). Construction began in 1881 and in 1887 the railway was fully operational.

In this paper we aim to unveil how the WIPGRC managed the construction and mainly the operation of the Mormugão line. To do so we will namely rely upon the company's Annual Reports between 1882 and 1902 and some official statistical data of the Portuguese Ministry of Marine and Overseas. We aim to analyse the numbers of traffic, the figures of operation and to determine who benefited the most from this deal: the stockholders or the Portuguese colony of Goa.

Keywords: Railways; Transport; India; Mormugão; Goa.

David Singerman, Rutgers University (PhD awarded at Massachusetts Institute of Technology)

Inventing Purity in the Atlantic Sugar World, 1860-1930 (Coleman Prize Presentation Session)

This dissertation illuminates how expert labour transforms sugar, a complex natural substance, into a uniform global commodity. Chapter 1 shows that the seemingly natural equation of sugar's value with its molecular essence – sucrose - is a product of nineteenth-century political economy, and of the technologically sophisticated factories that appeared throughout the Caribbean after 1860. Chapter 2 explores how chemists' work was essential to managing labour within these factories. Their owners attempted to eliminate the need for the artisan knowledge on which older plantations had depended, yet the production process still required multi-sensory forms of experienced judgment that could not be automated. These efforts to use scientific expertise to de-skill sugar production were made possible, Chapter 3 shows, by the persistence of craft and cooperative production in Glasgow, where sugar-producing machines were built. In order to ensure that draftsmen and engineers could design, maintain, and repair machines meant to last many decades, engineering firms cultivated relationships with distant sugar factories, and became expert in the transatlantic management of information. Customized machines let Caribbean factories apply an ideal of consistency and chemical purity. Finally, Chapter 4 reveals how the practices of valuing sugar became a central political issue in the late-nineteenth-century U.S. The Federal government feared its enforcement of sugar tariffs was being undermined by fraud by customs officers, and by the new, industrially-produced Caribbean sugar. But chemical experts and instruments proved even harder for the state to supervise, and powerful refiners were able to manipulate unaccountable scientific practices to their own advantage. Drawing on extensive archival research in the United States, Scotland, and Puerto Rico, *Inventing Purity* provides new insight into the workings of commodity empires, and shows that struggles over the measurement of nature are central to the history of modern capitalism.

Andrew Smith (University of Liverpool Management School) and Kirsten Greer (Nipissing University, Canada)

The Sound of Silence: Canadian Consumer Responses to Redpath and Son's Reliance on Slave-Produced Sugar, 1854-1876 (Parallel Session 1C)

Our paper seeks to explain an apparent paradox. In the 1850s and 1860s, most Canadians abhorred slavery and were proud that their country was the terminus of the Underground Railroad, which allowed African-American slaves to escape to freedom. However, while Canadian society was strongly anti-slavery by many metrics, Canadians nevertheless purchased large quantities of refined sugar from a Montreal company that had taken the decision to source its sugar from countries that still had slavery, rather than from the many sugar-producing regions in which slavery had been abolished. Moreover, Montreal's John Redpath and Son Ltd appears to have escaped widespread criticism for their use of slave-produced sugar, even though they were the subject of repeated attacks in the press on other grounds, particularly their requests for tariff protection. Our paper, therefore, seeks to explain the discrepancy between the behaviour of Canadians as consumers, who purchased slave sugar without any moral qualms, and Canada's evident commitment to the cause of Abolition. In seeking to account for why Redpath's use of slave labour did not damage his reputation with Canadian consumers. We will advance a multifactorial explanation that takes the following forces into account: simple ignorance of the fact the sugar was produced by slaves; the fact that relatively few consumers in Britain and the United States opted to pay a premium for free-labour sugar; Canada's comparatively low standard of living; the fact other Canadian businessmen were dealing with slaveholders; the fact that the slaves who produced Canada's raw sugar were neither English-speaking Protestants nor inhabitants of the North American continent. On a theoretical level, this paper draws on the literature on moral geography/moral geographies as well as concepts taken from work on Corporate Social Responsibility.

Keywords: Capitalism and slavery; ethical consumers; corporate social responsibility; sugar.

Andrew Smith (University of Liverpool Management School), Kirsten Greer (Nipissing University, Canada), and Kirby Calvert (Pennsylvania State University)

The Role of Industrial Policy-Induced Resource Accumulation by the Liverpool Timber Cluster (Parallel Session 3C)

In 1810, the British government introduced an Industrial Policy (IP) designed to create an alternative to Britain's traditional supplies of wood in the Baltic region. This IP consisted of differential duties to induce timber-importing firms to switch from Baltic to Canadian suppliers. As a result of this policy, the firms acquired capabilities related to the import of wood over long distances. Between 1810 and 1842, Britain's timber merchants developed thriving businesses based on trans-Atlantic supply chains. The tariff structure in place in these years created an artificial cost structure that benefited timber merchants with ties to Canada, many of whom were in Liverpool, over timber merchants with ties to the Baltic, a group disproportionately located in Hull, Newcastle, and the other North Sea ports that faced towards the Baltic. Between 1842 and 1860, this tariff structure was gradually eliminated. At the same time, the development of Britain's railway network intensified competition among British ports to serve timber consumers in the interior of the country. Liverpool's timber merchants thus faced a number of strategic threats in the 1850s and 1860s. The firms in Liverpool's timber cluster responded to these challenges with strategies that involved a mixture of intra-cluster cooperation and intra-cluster, inter-firm competition. They learned to use the resources they had accumulated during the 1810-1842 period of mercantilist tariffs in novel ways to cope with the new strategic environment. The historical case study presented in this paper is intended as a contribution to the project of integrating research in IP and Strategic Management (SM), a research agenda that has been outlined by Lazzarini (2015). The paper uses this historical case study to provide prescriptions for policymakers in different groups of nations. The paper uses the experience of the Liverpool timber cluster in the nineteenth century to argue that interventionist IP is most likely to result in the accumulation of Support-Adjusted Sustainable Competitive Advantage (SASCA) by firms in polities that have long been characterised by stable and inclusive political systems, low levels of corruption, and high levels of transparency and state capacity. In such countries, interventionist IP may be able to produce SASCA, provided there is vigorous competition between firms in the sector targeted by the IP. The IP should also ensure that the firms in the targeted sector should be integrated into global production networks. However, the IP is most likely to be effective if the targeted sector has a high degree of geographical specificity of the type seen in clusters.

Jonathan Steffen (Managing Director, Jonathan Steffen Limited)

What Price a Masterpiece? The Artist as Businessperson through the Ages (Parallel Session 2C)

The original masterpieces were created by mediaeval craftsmen to gain access to the influential guilds which controlled crafts in the Middle Ages. Today, a painting by an artist neglected during his or her career may be hailed retrospectively as a 'masterpiece' and sell for millions at auction.

This paper charts the changing status of the artist in society from the Middle Ages to today, focusing on the role of the artist as a creator and consumer of wealth and giving central attention to changing definitions of the 'masterpiece'.

Exploring various paradigms of the artist – from the craftsman-entrepreneurs of mediaeval Europe through the court painters of the Renaissance and the Baroque and the social painters of the Industrial Revolution to the bohemian superstars of the twentieth and twenty-first centuries – it addresses the following questions:

- Is a strong economy a precondition for the creation of great art?
- Are artists businesspeople *de facto*, even if they reject the label and eschew 'commercialism'?
- What can businesses today learn from art, and what can artist learn from business?

Keywords: Artist; Masterpiece; Patron; Reception; Value.

Maki Umemura and Stephanie Slater (both of Cardiff Business School)

Global Shifts in Japanese Business: The Changing Face of Cosmetics, 1945-2010 (Parallel Session 3D)

This paper examines the internationalisation paths and processes of Japanese cosmetics companies in the second half of the twentieth century. The objective of the paper is to illustrate why Japanese cosmetics companies – for the most part – struggled to internationalise beyond the regional Asian markets, despite early attempts to expand into broader global markets. We relate the experience of the Japanese cosmetics industry to those of other sectors, positioning the development of the cosmetic industry within Japan's relationship based business system until the 1980s and transformation after the 1990s. Throughout, we show how institutional dissonance between different components of the Japanese business system and those of most global markets undermined the ability of Japanese firms to internationalise, despite having quality, innovative products.

Within the existing business history literature, Geoffrey Jones referred to the Japanese experience within the broader context of the global cosmetics industry from the late nineteenth century to the present day (Jones, 2010). Works on the Japanese cosmetics industry has focussed on the role of marketing (Mizuo 1998, Sasaki 2004, Ohara 2004) or strategy (Fusa 1999, Ida 2001). This paper not only contributes to international business theory, it also builds upon recent works that have highlighted how institutions have undermined the internationalisation of innovative Japanese products – from mobile phones to videogames (Kushida 2011, Matsushima 2013). This paper is based on a range of primary sources, from corporate documents, industry papers such as Kokusai Shogyo, Shukan Shogyo and Nihongo Shigyo as well as historical market research reports.

Keywords: internationalisation; institutions; cosmetics; Japan.

Grietjie Verhoef (University of Johannesburg)

The Opportunity of Inequality: Rise of African Business in the Twentieth Century (Parallel Session 1C)

Inequality is given, but can be structurally enhanced. Political power is often manipulated to enhance inequalities, to reshape inequalities or to shift inequalities. The history of inequality on different levels of business activity in Africa, tells a story of the emergence of African business in the twentieth century managing inequality and creating opportunity. Martin (2012) in *The Political Construction of Business Interests* explains business institutions' development in the USA. The historical construction of the business reality explored in this book, offers a tool to analyse the reality of inequality and opportunity of the context of business development in Africa. This analysis presents the theoretical framework to explore the historical functionality of institutions, political and social, in making African business in the twentieth century. The ever present role of the state in Africa impacted in an inhibiting as well as facilitating role in institutional development of the context in which African business emerged. The state operated in different political contexts – of colonialism, of minority polity and after decolonisation, as majority polity. As such the state was instrumental in forging and changing institutions, which inhibited or enhanced the development of African business. This paper investigated the history of business development in Africa, using a number of case studies from different parts of Africa to explain the institutions which presented opportunities and constraints to business development in Africa. It is argued that inequality was institutionalised and as such contributed to the emergence of opportunities for business in Africa.

Michael Weatherburn (Imperial College London)

Scientific Management at Work: the Bedaux System, Management Consulting, and Worker Efficiency in British Industry, 1914-48 (Coleman Prize Presentation Session)

Building on scholarly research into the history of management, consultancies, the British state, and trade unions, this thesis uses a variety of private and public archives, printed materials, and private collections, to examine the inception, development, and large scale implementation of work measurement in Britain between 1914 and 1948. It explores work measurement's origins in the American scientific management movement, particularly F.W. Taylor's *unit-times* (expounded in his books *Shop Management* and *Concrete Costs*), and Charles E. Bedaux's development of Taylor's *unit-times* into a more effective work measurement unit: the Bedaux *B*. It elucidates on Bedaux's controversial commercial career and his foundation of several successful industrial consultancies in the 1920s. It explores the activities of his consultancy in interwar Britain, including the installation of the *B* system at Imperial Chemical Industries (ICI) and the negotiation apparatus erected in order to introduce the *B* system at ICI.

Case studies of the circle of managers based at the interwar Rowntree Cocoa Works at York are provided in order to demonstrate that, in contrast to existing historiographical claims, the Rowntree circle were important in developing, and using, additional work measurement units derived from the *B* such as the Rowntree *Mark*, the Mander *Work Unit*, and the Urwick Orr & Partners *Point*. Seebohm Rowntree, Lyndall Urwick, and Clarence Northcott are particular foci. It then explores the large-scale expansion of work measurement during World War Two, particularly in the use of the *B*-derived ICI *Standard Minute* unit at the Ministry of Supply's gargantuan National Filling Factories, and the endorsement of work measurement by the postwar Labour government in the form of the establishment of the British Institute of Management in 1948. It concludes with the issuance of British Standard 3138 in 1959: a British Standards Institute work measurement standard still in use today.

James Wilson (University of Glasgow)

Performance-based Pay: Alternative Interpretations of the Portsmouth Block Mills' 'Savings' (Parallel Session 3F)

Performance-based pay is a perennial management interest for purportedly aligning the economic interests of producers with their consumers. One historic example is Marc Isambard Brunel's compensation for designing the machinery used in the Portsmouth Block Mills. His compensation was to be based on the savings these machines produced relative to the Navy's existing contractors. The Mills produced pulleys for the Royal Navy and the Mill is one of the best known early industrial concerns. Although much interest has focussed on the Mill and Brunel's machinery, Brunel's payment scheme warrants closer investigation for it reveals contemporary understandings of basic cost identification and allocation.

Brunel eventually received £17,000 for his work, a sum that was considered to be the 'savings' the Mills produced relative to the former contractors used by the Navy to supply blocks. The Mills cost £54,000 so the enterprise was considered very successful, repaying its cost in just 3 years. This result obscures the controversy between the Navy Board and Brunel over the scale of the savings. The Board initially appointed Mr. Rogers to assess the benefits from using Brunel's machines and he found those were £11,000. Brunel considered that this significantly underestimated the value of his work. He subsequently claimed £21,000 as a measure of the savings made from using his machines. Brunel wrote the Navy Board a long letter detailing his assessment, with supporting appendices identifying a variety of production, labour and materials usages and costs; and a consideration of the contractors' deliveries and their costs.

The Navy Board was resistant to paying so much; at the most basic level this might simply be fiscal prudence as a desire not to pay too much. Alternatively, in retrospect, the Navy Board may have considered this an ill-advised arrangement. The year, 1808, used as the base for determining Brunel's payment was atypical; and the savings in that year may have been the greatest ever seen from the Mills' operations. The Navy in 1808 was at its peak strength with a fleet of nearly 1,000 ships and substantial new construction. But the Napoleonic wars were winding down and the Navy was already contracting. When the payment was being made in 1810 these strategic developments would have been known to the Board, and it would have understood that the savings from the Mills' continued operations would have been very much less than those seen in 1808. These developments would have been compounded by the Navy's recycling of components from decommissioned ships: thus, blocks removed from ships scrapped were stored and reused on newly built ships or when re-fitting and repairing older ones. This re-use of old blocks would have further depressed production requirements from the Mills with much smaller benefits from the machines used.

The Navy Board then assigned Samuel Bentham to consider the savings due to be paid Brunel. His report too was lengthy and consisted of a long letter with supporting attachments. These three reports: Roper's initial offering, Brunel's response and then Bentham's final assessment provide a comprehensive insight into historic cost accounting and understanding of its practical use. Although Bentham's report was subsequently used for determining Brunel's payment it was not the last word. Brunel

responded noting that Bentham had not considered higher materials costs in his analysis, but that was to no avail. Comparing these reveals alternative interpretations and their practical application.

Keywords: Performance-based Pay; Cost Allocation; Absorption Costing; Marginal Costing; Portsmouth Block Mill; Samuel Bentham; Marc Isambard Brunel.

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British Corporate Networks and the Finance of Business, 1958-2010 (Parallel Session 2A)

The current situation in the British financial sector is underscored by a number of specific problems, in particular, investor disengagement which has been exacerbated by a preference towards short-termism and growing ‘complexities’, such as new financial products and new financial intermediaries. Much of this stems from the inability or unwillingness of those involved (for example, institutional investors) to develop sustained relationships with the companies in which they invest. As Mallin, Mullineux and Wihlborg (2005) argue, ‘many institutional investors are portfolio investors with financial expertise as opposed to industrial expertise. The latter is required to develop and evaluate corporate strategic decisions, while financial expertise is best suited to analysing financial data released by firms and governance agencies.’ As these investors are seemingly poorly-qualified to develop these relationships which would be beneficial to corporate strategy, as a direct result senior managers in investee corporations are consequently left with considerable freedom of action.

Despite the importance of these issues to the current state of British business, we believe that this is a historical problem which emerged in the mid-twentieth century, building up significant momentum over the last sixty years. While Ross (1990) commented that this lack of ‘industrial expertise’ amongst investors was an acute problem by the 1930s, it was accentuated as the divorce between control and ownership deepened from the 1950s. The literature on the financing of British industry in the twentieth century has tended to overemphasise the importance of banks, when in fact it was ‘groupings’ of financials that played a significant part in industrial finance. This paper aims to explore the changing nature of British business through an analysis of the corporate network and investment practices from the 1950s until just after the 2008 crisis. Using a unique dataset on interlocking directorships, as well as data on industrial financing, we explore the relationship between the industrial and financial sector over this sixty year period. The longitudinal data allows us to demonstrate how not only was the corporate network transformed in this period, but also how this transformation was directly correlated to the growing problem of inter-sector disengagement. We aim to explore the role of various financial institutions within the British corporate network and determine how the so-called ‘arm’s length approach’ of the inter-war period has evolved into the distinct problem of investor disengagement and short-termism we are encountering today.