

Abstracts

Etsuo Abe - New Perspectives for the Post-Chandler Model: From the Viewpoint of Japanese Network (keiretsu)

In the Post World War II academic world, Alfred Chandler's paradigm on big business was very influential and gave a wide and deep effect upon business history and management alike. His tenet, however, underwent several serious criticisms from a variety of fields in the last decades. In my view, Chandler's theory had two fundamental weak points in the light of the recent economic and business development, that is, the poor understanding of institutional investors' capitalism, and the neglect of SMEs network, or entwined networks of SMEs and large firms.

As for the first point, I already discussed in "The Development of Modern Japanese Business in Japan" in *Business History Review*, 1997 (Summer).

In this paper, I would like to argue about the second point, namely vertical and horizontal network (keiretsu). The vertical keiretsu is like Toyota, Matsushita, Hitachi and so on. The horizontal keiretsu is not only Mitsubishi group and Sumitomo group, but also SMEs' horizontal network such as the Ohta region near Tokyo.

Chandler tackled the rise of big business in the USA and other nations. In the 1960s and 1970s, his problem-raising was quite right. However, in the 1980s and 1990s, the issue would be why and how big business declined and instead SMEs and their network rose.

However, the real situation is complex. In Japan, the horizontal keiretsu like Sumitomo and Mitsubishi almost disappeared, and some vertical keiretsu declined, but vertical keiretsu like Toyota has still become powerful. Another horizontal keiretsu like Ohta weakened, but still keeps its pivotal role in Japanese business scene. How should we interpret this complicated phenomenon?

In this paper, I will try to analyze the rise and decline of several kinds of keiretsu in Japan and to provide a new perspective in the wider context of the post-Chandler model where big business and network are entwined.

Evelyn Anderson - Firms vs. Inter-firm Relational Contracts: Which is more effective? Nissan vs. Toyota 1956-1971

Keiretsu refers to a uniquely Japanese form of corporate governance based on close inter-firm relationships. There are three commonly perceived characteristics about the vertical keiretsu found in the Japanese automobile industry. They relate to the assumption that all keiretsu in this industry are the same. The first one is that all auto assemblers adopt hybrids (also known as inter-firm relational contracts which are one characteristic of keiretsu) and it is generally acknowledged that this governance gives the Japanese auto industry a sustainable competitive advantage over their U.K. and U.S. counterparts. The second one is that all keiretsu have an exclusive relationship (dedicated asset specificity) with their respective auto assemblers. The third one is that such exclusive relationship is tied to trust. Trust minimizes transaction cost, and is a critical factor in making hybrid the most efficient form of economic organization. A previous paper shows that contrary to common beliefs, not all automotive keiretsu in Japan had the same governance. Each of the above perceived characteristics can be clarified with specific reference to the differences that existed between the Toyota and the Nissan keiretsu over a fifteen year period in Japan's early post-war era. The differences stemmed from the responses taken by the two assemblers to the legislation of a Japanese industrial policy. The Provisional Act for the Promotion of the General

Machinery Industry (The Provisional Act) 1956-1971 enacted by the Ministry of International Trade and Industry (MITI) provided Nissan with incentives to vertically integrate some of its most important keiretsu firms during this period. Toyota's inter-firm relationship with its core keiretsu members was a hybrid built on trust but not exclusive, whereas Nissan's initial postwar strategy was similar to Toyota's only in name, as the use of a common term – keiretsu – proves to be misleading. The Nissan governance in this period was driven by transaction cost considerations in the absence of trust and its relationship with its core keiretsu was exclusive, displaying high asset specificity. This paper evaluates the economic efficacy of two types of governance, i.e. hybrids vs. hierarchy (firm or vertical integration), *ceteris paribus*. Both Toyota and Nissan had similar market shares and operating profit (*eigyō rīki*) just prior to the introduction of The Provisional Act, which therefore presents a natural experiment with which the two forms of economic organizations can be evaluated between 1956 and 1971 while the legislation was enforced. A comparative analysis on the operational efficiency, the effect of supplier relationships and how the two might have impacted on the market shares and operating profits of the two major auto firms will be presented.

Tokunbo Ayoola - Impact of the Second World War on the Nigerian Railways, 1939 – 55.

The Nigerian Railway system on the eve of the Second World War comprised more than 2,500 kilometers single track railroads and was one of the longest in Africa. The main railroad networks were originally constructed by the British imperial and Nigerian colonial governments between 1898 and 1930. The network was essentially constructed to facilitate economic exploitation and general administration of the African colony. The main priority of this particular mode of transport was the evacuation of export crops and mineral resources. That was why the railway lines ran in a perpendicular way; that is originating from the southern part of the colony, and moving up north. The lines ran from the harbors of Port Harcourt and Lagos into the hinterland: the location of mines, agricultural production areas, and large population clusters. In essence the railway network, especially before the late 1950s, when road transport caught up with, and overtook it as the main transporters of goods and passengers, was the bedrock of colonial Nigeria's political economy. However, during the Second World War, the capacity of the railway industry was severely tested, its infrastructure was stretched to the limit, and there seemed to be lack of spare parts, locomotives, and rolling stocks for the infrastructure's effective and efficient management. The paper therefore seeks to analyze the role and impact of the Second World War in the management of the Nigerian Railways from 1939 to 1955, when the Nigerian Railway Department, a unit of the colonial bureaucracy, was reorganized and transformed into a statutory public corporation: the Nigerian Railway Corporation (NRC).

Emily Baines - Family Firms, Innovation and Networks: the Interwar British Printed Textile Industry

This paper will consider the role of family firms, the Chandlerian 'modern business enterprise' and networks in the British printed textile industry during the harsh competitive and macroeconomic conditions of the interwar period. Chandler focuses on economies of scale and scope (in multiunit enterprises managed by an integrated hierarchy of professional middle managers) as the key factor in efficient, profitable production. The Cotton Industry Enquiry of the Economic Advisory Council

Committee advanced a similar strategy of increasing scale in 1929-30. It recommended the industry to co-operate under the JCCTO to produce and market standard lines, reduce costs of production and increase efficiency. Lazonick (1986) also argued that the failure to reorganise the industry under vertical schemes of amalgamation, rationalisation and standardisation led to the decline of the industry. However, this paper argues that reliance on strategies for cost reduction through increasing scale was ineffective under these economic conditions – the firms with the strongest competitive advantage were those that focused on innovation to create a differentiated, lower priced product. Furthermore, those companies that were actively involved in industry networks such as the Federation of Calico Printers and Manchester Chamber of Commerce tended to be less successful than those more loosely associated with the networks, as they concentrated on the establishment of cartel price agreements and political pressure to adjust tariff rates to gain market control, rather than establishing individual paths of innovation and strategic development. Chandler's 7th proposition (1977) that 'career managers preferred policies that favoured the long term stability and growth of their enterprises to those that maximised current profits; they were far more willing than were the owners (the stockholders) to reduce or even forgo current dividends in order to maintain the long term viability of their organisations' is undermined by textile industry family firms, in which the owners bore much of the costs of the Depression to their business personally in order to maintain the viability of the organisation, in contrast to the management policy of the CPA as a multiunit firm that closed production units. The view of family firms as inherently conservative in approach (Casson, 1993) and contributing to British industrial decline (Kindleberger, 1964; Wiener, 1981) has been challenged by Miguel A. Saez (2006), who emphasises their strategic flexibility. This is supported In the British printed textile industry, in which family firms that had close control over strategy and financial management by owner-directors could survive the hostile competitive environment of the interwar period more effectively.

Bernardo Bátiz-Lazo and J. Carles Maixé-Altés - Organizational change and the computerization of British and Spanish savings banks, 1965-2005

Archival research on the evolution of savings banks enables comparing and contrasting the 'late' adoption of mechanicals in the accounting function, general purpose technology (i.e. mainframe computers) and industry specific applications (e.g. automated teller machines, EFTPOS) in two different competitive environments (as represented by Spain and the UK). Information technology was instrumental in reducing saving banks' apparent scale disadvantages but in this process savings banks had to develop new capabilities to compete (some times organically and others through collaboration). As a result where the same organizational form evolved into distinct business portfolios and relative success in contesting retail bank markets. In turn, this allows exploring the extent to which the process of automation associated with the adoption of divisional (M Form) organization replaced functional organizational structures in retail finance. The discussion within this article goes to the core of the theoretical and empirical debate surrounding the financial system. This as each of the two competitive environments responded in its own way to the processes of technological an organizational change. The long-term nature of historical analysis enables a better understanding of the similarities and differences affecting mutual financial organisations. In other words, what we observe are cross-

country variations in the presence of convergence and globalisation (see Gardener, 1994; Flier et al., 2003; Bátiz-Lazo, 2004).

Bernardo Bátiz-Lazo and Claudia Reese

Meet the phantom: new technology in the high street from a consumer perspective
In this paper we investigate the process of replacing the friendly girl at the counter by cash dispensers and automated teller machines (ATM) from a customer perspective.

Currency dispensing technology was introduced in the high street primarily to address management issues rather than customer concerns, 'needs' or 'wants'. The technology evolved into networks of cash dispensers mediating the interaction of individuals with financial intermediaries' central computers. However, new technology required consumers having to learn how to activate the devices and develop new routines for securing cash balances. Indeed, in a recent interview Sean Newcombe, one of the pioneering engineers that helped to develop currency dispensing technology, commented that the core issue in technological change was to 'make people change the way they do things' (Personal communication, 05/Feb/08). Cash withdrawing routines somewhat adjusted with the evolution in the functionality of the ATM (rather than with changes in the physical attributes of the devices since the point of contact with individual consumers remains largely unchanged).

During the late 1960s and early 1970s, individual consumers readily accepted the idea that currency dispensing equipment offered greater 'convenience' (built around quick, anonymous, around the clock, location free, charge free service). Currency dispensing offered opportunities for greater mobility and for the customer to bank in any retail branch. The local nature and even paternalistic approach to managing retail branches as well as the relative low volume of cash dispensing cards in circulation, offered opportunities to solve any issue (primarily associated with 'teething problems' with the technology) on an 'ad hoc' basis by branch staff.

But during the 1980s and 1990s, cash dispensing technology was found to cause greater number of 'problems' for individual consumers. These 'problems' had to do less and less with poor functionality and reliability of the ATM and more to changes in the institutional and social setting of the late twentieth century.

We contend that the social history of 'consumer problems' with ATMs offers interesting insights into organisational learning and institutional change surrounding technological innovation. Particular attention is given to, first, how the introduction of computer technology since the late 1950s redefines the trust between individual consumers and customer facing staff at retail branches. We show how by the early 1980s the process of technological change redefines the perception individual consumers had regarding providers of retail financial services.

A second aspect of interest encompasses the increasing number of cash withdrawals from ATMs where money had been withdrawn but over which neither the customer nor the bank admitted liability. In the vernacular, these were known as phantom withdrawals and they led to unpleasant encounters of individual customers with staff at retail branches. The caption on the right aims to illustrate how distinctive responses could emerge when financial intermediaries aggregated consumers along the lines of



gender and age. The caption and the policeman suggest vulnerable consumers had to contend with the Law being against them. Phantom withdrawals spread around the mid to late 1980s and remained unresolved as a social issue until 1995.

Conclusions are drawn based primarily on secondary sources in the form of specialised magazines from UK banks and building societies as well as newspaper articles, contemporary research by consumer activists, Parliamentary enquiries and some oral histories of customer facing staff employed by banks, savings banks and building societies in retail branches during the 1970s and 1980s.

Michael Best - A High-Tech Industrial District: Systems Integration in Massachusetts

The central theme is that Massachusetts represents the emergence of a bottom-up localized innovation system involving a systems integration capability within and across a technologically diverse population of 'high-tech' companies. The idea of a 'high tech' company is best understood as a business model in which the defining feature is the pursuit of a distinctive technology platform with the potential to establish an organizational pipeline of successive new products. The population of high tech enterprises is characterized as a dynamic industrial district in which the region's resources are incessantly reshuffled and reconfigured to rapidly develop new products, to foster enterprise growth and to diversify the region's sectoral composition to take full advantage of technological change and market opportunities. The concept of a region's resources is not limited, as important as it is, to rounds of finance but to the legacy of production and technological capabilities and skills bequeathed by previous generations of companies and technologies. There are many regions in the world with 'clusters' of companies in the same industry or market space; but few indeed are populations of companies with the collective 'self-assembly' capability to rapidly generate new sub-sectors. This protean 'self-assembly capability is the defining feature of a high tech industrial district. The continuity of the district is not defined in terms of specialized and permanent industrial sectors but in underlying production and technological capabilities and skills propagated cumulatively over time and collectively by the region's enterprises.

Mark Billings - '1966 and All That: The Labour Government, the Banks, and the Prices and Incomes Board'

This paper examines an episode in the relations between government and business in Britain: the reference in 1966 of the banks to the National Board for Prices and Incomes (NBPI). For much of the twentieth century there was a complex relationship between government and the large commercial banks, the clearing banks, which played a key role in the UK financial system, and whose performance has been subject to many criticisms. In investigating this reference, the paper explores official attitudes towards the banks, their role in a mixed economy, and the management of economic policy, and is based on material drawn from the archives of the clearing banks, the Bank of England, and the National Archives, and from secondary sources. A Labour government was elected narrowly in 1964 and re-elected in 1966 with a much increased majority. It established the NBPI as a mechanism for implementing its prices and incomes policy to exert downward pressure on inflation, and for promoting economic efficiency. The NBPI's role was to investigate cases referred to it, and determine whether price and/or wage levels or increases were 'justified'. Its legitimacy depended in part on an even-handed approach to capital and labour and to different sectors of the economy, and references to the NBPI were based on initial rules agreed between government, firms and trades unions. The NBPI produced 170

reports from 1965 to 1971, when it was disbanded by the Conservative government elected in the previous year. The background to this reference to the NBPI was complicated. The banks were major employers of clerical labour, but were considered to use this inefficiently. Their published accounts showed rising profits and they declared increased dividends. But the relationship between published and true profits was unclear, with true profits obscured by the banks' use of exemptions granted in the Companies Act 1948, and further confused by the introduction of Corporation Tax in 1964. In addition, profits were driven in part by the 'endowment effect' of higher interest rates, the result of monetary policy to which the government was reluctant to draw attention. While some ministers were hostile towards the banks, others, such as the Chancellor of the Exchequer, Callaghan, were reluctant to risk antagonising them at a time when sterling was under pressure and the banks were administering lending controls integral to monetary policy. Such controls formed part of the 'old regulatory contract' between banks and government, which permitted some restrictions on competition. Politicians, civil servants and advisers in several branches of government struggled for the first six months of 1966 to balance these issues before eventually framing the reference to the NBPI.

Mark Billings and Alan Booth - Britain's National Giro, 1965-1977: Computerized Nationalism?

This paper investigates the early years of Britain's National Giro. This was an unusual business organization in two respects: firstly, it was established as a state-owned financial institution, rare in Britain; and secondly, it was designed from the outset to function on a computerized basis, a key element in the government's technonationalist stance (promoting Harold Wilson's 'the white heat of technological change') by nurturing the British computer industry against US (e.g. IBM, Burroughs) competition. National champions in high technology industries are/were not uncommon in Europe in the second half of the twentieth century, but this is a unique case of state-led modernization of both manufacturing and private sector services through expansion of the public sector. It is a form of inverted Thatcherism.

In 1968 Britain's National Giro Centre (later to become the Girobank) opened for business. The Giro's role was to operate a national giro payments system, making use of the post office network, to provide an alternative to the traditional cheque-clearing system operated by the major commercial banks. Britain was a latecomer in founding such an institution - similar institutions were well-established in other European countries. For example, Austria and the Netherlands had established giro systems in the late nineteenth century and early twentieth century respectively. There was a strong political dimension to the Giro. In the 1960s, both the Labour and Conservative governments found the commercial banks as uncompetitive, and inefficient hoarders of labour, which persistently threatened these governments' attempts to control the growth of incomes and prices and simultaneously failed to cater to the banking needs of the majority. Both governments used the threat of a Giro to discipline the larger commercial banks, and the relations between the financial sector and the 1964-66 Labour Government were sufficiently bad that this threat were carried out. This further fueled speculation over nationalization - a threat which loomed over the clearing banks until the late 1970s. The establishment of the Giro faced opposition from these banks, which dominated the payments system in Britain, though they recognized that the Giro was competing for a different class of customer from the traditional middle class users of Britain's commercial banks. The Giro's head office was established in Bootle, Merseyside, an area of relatively high

unemployment at the time and close to the parliamentary constituency of the prime minister, Harold Wilson. Ultimately, commercial success allowed privatization: Girobank's life in the public sector came to an end in 1990, when it was acquired by the Alliance and Leicester Building Society, which later demutualized, becoming a bank listed on the London Stock Exchange. The paper explores the establishment of the Giro and the role played by computerization in its early years. The managerial challenge faced by the Giro was different from that of other financial institutions. Computerization had started among the commercial banks in the late 1950s and early 1960s. As a new institution the Giro had both advantages and disadvantages: it was unburdened by the 'legacy' issue and much had been learned in the early phase of computerization. Expertise in computers had begun to develop in the labour market, but, as the commercial banks and other employers had found, there was a chronic shortage of such skills relative to demand for them, and in the Giro's case, this was not helped by the choice of its location. But the Giro became one of the major users of computers in Britain.

Richard Blundel - Will there be blood?: entrepreneurial judgement and strategic choice in Chandlerian and revisionist narratives of industrialisation

'Entrepreneurial ability can hardly account for the clustering of giant enterprises in some industries and not others. The most brilliant industrial statesmen or the most ruthless robber barons were unable to create giant multinational companies in the furniture, apparel, leather or textile industries. Yet in other industries the first try often succeeded.' (Chandler 1977: 373)

'We're going to dig water wells here. Water wells means irrigation, irrigation means cultivation. We're going to raise crops here where before it just simply was impossible. You're going to have more grain than you'll know what to do with. Bread will be coming right out of your ears, ma'am.' (Extract from speech by Daniel Plainview, 'There Will be Blood' (2007))

Entrepreneurial actors occupy a prominent role in popular narratives of industrial and corporate change, both historical and contemporary. Whether they be triumphant heroes or tragic anti-heroes, 'robber barons' or 'great statesmen', these representations have given rise to a persistent and often deeply-held perception of entrepreneurs as powerful and significant figures in the socio-economic landscape. In the popular imagination, they make decisive choices and initiate actions that shape the organisations and institutional contexts in which they operate. However, if we turn to the academic literature, the role of the entrepreneurial actor is rather less assured. The paper examines how entrepreneurial judgement and strategic choice (Child 1972, 1997) have been represented in the leading narratives of industrialisation. In doing so, it draws on: the 'orthodox' Chandlerian account of the managerial revolution (Chandler 1977, 1990); the rival interpretations of Langlois (2003, 2004) and Lamoreaux et al. (2003, 2004); the broader 'alternatives to mass production' literature, represented by works such as Scranton (1997), Sabel and Zeitlin (1997); and a growing array of empirical studies within this tradition. The main aim of the paper is to review the treatment of entrepreneurial judgement and strategic choice in these literatures, seeking to highlight some commonalities, contrasts and possible contradictions. In doing so, it also reflects briefly on some practical implications for those engaged at the interface between business history and entrepreneurship research. In both respects, the paper responds to the challenge set recently by Casson and Godley (2007: 1075), whose critique of the Chandler-Williamson thesis concludes with the ambition of 'restoring entrepreneurship to the heart of the

interpretation' of key episodes in business history. The paper is organised as follows. The first part of the paper reviews Chandler's major works: *The Visible Hand* (1977) and *Scale and Scope* (1990), with a particular focus on their treatment of entrepreneurial judgement and strategic choice. The final part of the paper argues strongly for the importance of research that reconstructs the agency of entrepreneurial actors and their recursive relationship with prevailing socio-technical institutions. Returning to an opening theme, it reflects on the ways in which entrepreneurial judgement and strategic choice contribute to economic, social and environmental outcomes, and what may be sacrificed when these intermediate processes are ignored. In support of this position, it makes reference to: the Penrosian dynamic and its impact in terms of 'localised knowledge' and the formation of entrepreneurial judgements; the importance of identifying the shifting 'zones of manoeuvre' of entrepreneurial actors in relation to their capacity for strategic choice across time (Clark and Blundel 2007); the capacity of entrepreneurial actors to create localised adaptations, including institutional innovations (Carnevali 2004); and the complex patterns of geographic and temporal variation that arise from these processes, as illustrated in various ways by the 'alternatives' literature.

Gordon Boyce - "Network Processes and Dynamics; A Contrast with Hierarchy".

One of Alfred D. Chandler Jr.'s major contributions to business history and economics was to expose the inner workings of hierarchical structures and the resulting efficiency properties. The principal distinction he developed was between the operations of the market and those of the managerial enterprise. The proposed paper extends this approach in a complementary manner by exploring the processes and dynamics of networks and networked firms.

The discussion presents recent theoretical propositions regarding the efficiency-generating capabilities of networks that arise from shared values and common cognitive frames. The paper also outlines the various structural features of networks and shows how specific elements support innovation. These structural elements and theoretical concepts are illustrated by a discussion of the growth of John Swire & Sons' Far Eastern businesses from 1860 to 1950.

Trevor Boyns - 'If at first you don't succeed, try, try and try again': British cost and management accountants and their pursuit of professional status

For Chandler, an important part of the process by which large corporations emerged in the US and other countries during the twentieth century involved the professionalization of management. The multi-divisional business form (M-form) was characterised by a hierarchy of management, with the flow of accounting information between the different levels of management playing an important role in enabling effective control of such large organisations. To date, accounting and business historians have, in the main, focused their attention on the development of specific accounting techniques which were developed in conjunction with the rise of the M-form business, such as standard costing and budgetary control, rather than with an examination of those who carried out this task. Some work has been carried out on both sides of the Atlantic regarding one specific group of external players, name management consultants (Ferguson, McKenna) and the role that they played, while in Britain, the role of chartered accountants has been considered (Matthews et al., 1998). In Britain, however, the role played by another significant group of internal players, namely cost (subsequently management) accountants, has largely been ignored.

This paper examines the development of the cost/management accounting profession in Britain during the twentieth century. Building on the early work of Loft (1986, 1990) relating to the immediate post-First World War period, this paper examines the professionalization of cost/management accounting between the 1920s and 1970s. This is carried out through a comparison of two significant episodes in the professionalization process, namely the two applications made by British cost/management accountants some fifty years apart to try to obtain a Royal Charter. The failure of the application of the early 1920s is compared and contrasted with that of the successful application of the early 1970s. The early bid is shown to have been wildly optimistic and to have been a case of inverting the traditional process by which professional bodies were granted a Royal Charter; in contrast, the bid of the early 1970s is seen as being far more realistic, in line with Lewinsky's 'natural history of professionalization' and, more significantly, supported in the right (industrial, economic and political) quarters.

Albert Carreras - Does Spain fit in the Chandlerian paradigm?

Spanish business historiography has attempted to place Spain in the Chandlerian paradigm (among others: Carreras, Tafunell & Torres; Comín & Martín Aceña; García Ruíz; Valdaliso). A number of papers make a case for the development of large scale manufacturing firms. Rankings of Spanish firms have been developed. Detailed business monographs on big size firms have been written. The three-pronged investment in technology, management and marketing has been studied in detail. The state vs. market tension is better understood. Our overall knowledge is now very much enhanced. The first part of the paper will provide a summary survey of these developments. The Spanish case validates the Chandlerian paradigm in various negative ways. The excessive role of the state has been inimical to the growth of big firms. The lack of investment in technology, management and marketing has reduced the competitive edge of all of them. The reduced size of the market has been hostile to the exploitation of scale and scope economies.

Nevertheless, some features in the twentieth century Spanish business history seem to be at odds with the Chandlerian approach. Among the most salient issues that do not fit we can mention: a) the sector specialization of the big firms, more service than manufacture oriented (the "Wardley" critique); b) the role of the state-owned firms, very prominent for long periods of time (the "Carreras-Tafunell" critique); c) the foreign-owned firms, of paramount importance in manufacturing (the "Wilkins" critique); d) the role of business groups (The "Amatori" critique) and e) the resilience of the family firms (the "Colli-Fernandez-Rose" critique). Spain does not fit in the Chandlerian picture. This will be the second part of my paper.

The integration into the European Economic Community in 1986, and the quick market liberalization following this entrance have changed the picture of the Spanish big firms, suggesting new problems and new interpretations. Scale and scope economies are now at reach for many Spanish firms. Intriguingly enough, the new opportunities seem to be exploited only along some particular "Chandlerian" lines, and not along others. The investment in technology is limited. But the investment in management seems impressive. The new market oriented and market driven big Spanish firms appear as strong organizations, but high project-oriented skills, but with poor ownership advantages. This has been underlined in recent work by Binda and by Guillén. Binda has framed her reassessment within the Whittington & Mayer approach, in a detailed comparison with Italy. Guillen has suggested, with various co-authors, an alternative interpretation on the foundations for the successful business

development of emerging economies like Argentina, South Korea and Spain. The discussion of how the new historical evidence fits or not into the Chandlerian approach will be the content of the third part of the paper.

I will conclude with a proposal for a more nuanced interpretation of the Spanish case, encompassing the various hypothesis suggested until now.

Mark Casson - Trade Associations: Theoretical Issues and Evidence from the United Kingdom

Trade associations have received little systematic study by business historians. This paper reviews evidence on the range of functions and activities performed by trade associations, and discusses how these activities can be rationalised in economic terms. It examines the influence of national industrial policies on trade association strategies, and argues that the strategies pursued by trade association reflect the policy environment in which they work.

Peter Clark and Giuliano Maielli - AMERICA'S REFOLDING MARKET EMPIRE, CONSUMER POLITY & COLONIZING CORPORATIONS: TIME-PLACE PERIODS AS CASES

At the interface between business history and the social sciences there is the issue of temporality-space-place and the relative extent to which future scenarios might be shaped by the past and present. In the social sciences relational theories have sought to explore the interface between history and both sociology (e.g. Elias; Giddens; Haydu, Archer) and the revisions to path dependency in political science (e.g. Mahoney; Pierson). Fifty years ago this issue was cautiously prized open by Cochrane and Hofstadter (Stern 1960a) yet robustly contested in France between Braudel and Gurvitch (Stern 1960b). Currently business school research and theorising is scrutinizing the claims of critical realists to have resolved the differences between the social sciences and history through the 'in time' approach of Archer to morphogenesis. However, it is the notion of time-place periods as cases and the claim that periods could be distinguished by types of problem solving which is moving to centre stage (e.g. Haydu). This has been applied to the history of Rover from 1896-1982 (Whipp & Clark 1986) and to the examination of impossible historical trajectories. Henry Ford could not have started out from the home of flexibility in West Midlands of England nor by Benetton from the home of knitwear in the English East Midlands (Clark 1987, 1997, 2000). Equally, it is argued that neither American Football nor the American funeral with the open casket and embalmed body funeral could have emerged until after the Civil War (Clark 2008ab). These examples underline the issue of how hegemonic problem solving emerges and how it is reproduced in path dependent cycles or collapses in discontinuous development. Our paper applies the notion of hegemony and passive revolution to the periodization of America's evolving role in the global economy. Gramsci's original contribution was in interpreting the causal relationship between Italian business enterprises and regional politics in terms of the global situation which he foresaw in the 1920s as being shaped by American business and cultural practices. For example, the relationship between Croce as a 'liberal' intellectual and Agnelli's regime at Fiat. Gramsci's anticipations were both similar and different from those of de Grazia's

(2005) claim that American hegemony was constructed in Europe. How should American problem solving be characterised into periods and what role did the establishment of American internal hegemony after the Civil War play in the American Century? Central to our approach is how American problem solving radically diverged from the European habitus and – within the framework of capitalism – established distinctive notions of owning, purposefully designing, occupying and commodifying time-space. Thus our perspective is closer to the revisionist analysis of 19th and 20th century America internally and externally (e.g. Lamereaux; Roy; Shenhav; Mokyr; Scranton) and differs from the analytically structured narratives advanced by the Chandlerian School. The periodization treats each of the cases in Exhibit 1 as a time-place America case which is different from those cases before and following. The American experience of the making and refolding of hegemony and of passive revolutions is both distinctive and globally consequential for its colonizing corporations, its consumer polity (c.f. Cohen) and the institutions of the market empire.

Richard Coopey - Chandlerian Firms in a Hyper-Schumpeterian Environment: Enterprises in the Popular Music Industry in Britain 1950-1990

In many ways enterprises which feature in the post-war popular music industry in Britain, notably EMI, Philips and Decca could be said to conform to Chandler's idealised paradigm. They are large-scale enterprises, multi-divisional in nature, with strategies for internalising markets, joint-stock ownership and professionalized management, rationalised production systems, technologically advanced R&D concentrations and sophisticated distribution and sales systems. But... These large firms existed in an environment where several factors led to destabilisation, unpredictability and market uncertainty which did not favour the Chandlerian firm. To begin with the marketplace was driven by cultural change where fashion and creativity was increasingly (but not always) determined outside the realm of the firm – new forms of music emerged and re-emerged, allied to a new kind of consumer (partly, but not exclusively, the teenager) conspiring to baffle or subvert the strategies of the large producer. Indeed at various points during the period the terms “corporates” “suits” and “commercial” - epithets which might take on a positive connotation in the world of Chandler's ideal firm - were to imply approbation rather than admiration, as the large firm became synonymous with artistic and cultural betrayal. Technological change both in the production and distribution of music also destabilised the market as these too were used in unpredictable and innovative ways – in a spectrum which runs from feedback to pirate broadcasting. At various points large firms adopted, or were forced to adopt, a range of strategies to cope with, or attempt to regain control of this volatile environment, with various levels of success. These included new multi-divisional configurations, the absorption of new firms, and alliances of various kinds between small and large firms. Overall the centres of power oscillated between large and small enterprises throughout the period. The paper will question whether Chandler's analysis is able to explain this process, in terms of its genesis or its evolution. It will ask whether, in this sector, and related sectors where “creativity” and ephemeral markets are to the fore, we need more sophisticated, or at least nuanced analysis where cultural and social environments and their interaction need to be given prominence.

Howard Cox - The Failure of Successful Adaptation. Scale, Scope and the British Experience in the Popular Magazine Industry

In *Scale and Scope*, Alfred Chandler argues that British entrepreneurs failed to make the investments, recruit the managers, and develop the organisational capacities needed in order to obtain and retain market share in many of the new industries of the Second Industrial Revolution. (*Scale and Scope*, p.12). The key manifestation of this failure was, in Chandler's thesis, the relative absence in the leading British industries of the large scale modern industrial corporation, managed by salaried employees. Whilst large firms were often created by British entrepreneurs, Chandler argues that the potential advantages of scale and scope were not gained due to inadequate organisational innovations. Similarly the potential benefits accruing from vertical integration, which were only obtained if the advantages of market internalisation allowed managers to overcome market transactions costs, were generally less evident in the British case of personal capitalism. In practice, Chandler's findings regarding Britain's failure to develop the commercial institutions of the Second Industrial Revolution are rather more ambivalent. Thus in concluding his analysis of the British experience in the "stable industries" he notes that 'in oil, rubber, synthetic fibers, plate glass, asbestos, paper, and metal containers a leading enterprise in each industry took the steps required to obtain and maintain market share and profit at home and abroad. It integrated the processes of production within its works, invested in best practice technology, built national and international marketing organizations, and recruited a small hierarchy of managers...In these [British] industries the processes of production and distribution did adapt to change.' (*Scale and Scope*, p. 335). This paper seeks to argue that in the linked industries of paper, printing and publishing in Britain, these purported beneficial adaptations in organisational form had a variety of detrimental effects that acted to obstruct efficient progress for much of the twentieth century. Large scale operations in printing and publishing, which in turn drove much of the process of consolidation in paper manufacturing, created entrenched interest groups and stifled innovation. This was particularly evident in the case of the popular magazine sector. What had emerged as a dynamic element of publishing during the latter years of the nineteenth century, driven by entrepreneurship and brilliant creativity, became largely moribund following the emergence of a few dominant producers after 1900. By the 1960s, this small clique of British magazine publishers had been amalgamated into IPC, an effective monopoly producer, in which the cost advantages of large scale operation were able to compensate for manifold production inefficiencies and where bureaucratic management structures generated an industry culture in which the dynamic competitive force of product innovation was severely weakened.

Jean-Claude Daumas - Family capitalism and big firms in France during the thirty-year boom period after World War II (1945-1975)

Influenced by David Landes, Alfred Chandler and modernizing technocrats' ideas, the French historians and economists who have studied on family capitalism in France during the thirty-year boom period after World War II, have for a long time disseminated a portrayal based on four main arguments:

- family enterprises, incapable of modernizing, disappeared in large numbers while managerial capitalism witnessed a strong progression,
- large family-owned enterprises were rarities,
- the truly new family enterprises were very few because large-scale distribution was the last frontier open to the development of family capitalism,

- the directors of family firms were fundamentally conservative and routine-minded, and the management of these enterprises, hardly rational and ineffective, was difficult to reform.

This picture is, of course, not entirely false but, with the empirical data available, it is nevertheless largely contradictory. In fact, the large family-owned firms did not only play a very important role into the growth, but also this group of enterprises was deeply renewed, their structures were reformed and their strategies were audacious. Consequently, the aim of this paper is to reevaluate the importance, the role and the transformations of big family enterprises in developing growth during the thirty-year boom period after World War II. The first section is devoted to measuring the importance of family enterprises in France from 1945 to 1975. Family capitalism is shown to be not simply limited to small and medium sized firms (SME) but, on the contrary, it is present among the top 500 industrial enterprises where it has become dominant, although unequally according to the sector. Consequently, French growth is based on three pillars: family enterprises (large and small), enterprises with dispersed capital and public enterprises. In addition, the reasons which led researchers as well as high-ranking civil servants to minimize the importance of the phenomenon for a long time will be examined. However, it must not be forgotten that the family enterprises constitute a heterogeneous entity and that they followed divergent evolutions. This is discussed in the second and third sections. The second section examines the processes by which numerous established family enterprises present in traditional activities in difficulty (textile, food, wood, paper) were incapable of adapting to the new conditions for growth while others, in new expanding sectors (pharmacy, computers), lost their family dimension by integrating a large group when the family owners did not have the means to finance their development. The third section deals with numerous family enterprises which have experienced a successful development but have followed three very different types of paths: firstly, the established enterprises (Michelin, Peugeot, Casino...) which have continued their development successfully; secondly, enterprises created between the two world wars which were transformed and took off in the 1950s (L'Oréal, Dassault); and thirdly, the enterprises created after World War II in expanding sectors (Bouygues, Carrefour, Accor, Sodexo) which have seen a very rapid development and were transformed into very large international groups. More often, these enterprises combined rapid growth, diversification, internationalization and large size. Hence, it is necessary to study their structures, strategies and culture in order to understand the diversity of their paths. Finally, in the fourth section, the modernization of structures and the professionalization of management in family enterprises are discussed by showing that the management of enterprises combined varied dosages of family control and direction by managers, that the training of executives had greatly evolved and that an important transformation of management practices took place based on theories which originated in the United States. In conclusion, family enterprises played an essential role in developing growth during the period from 1945 to 1975 and, parallel, were deeply modernized, often resulting in a process of hybridization.

Paolo Di Martino - "Just a little is enough". British micro credit in a business history perspective

In recent years, in particular since the 2006 Nobel Prize awarded to the private banker Mohammed Yunus, the issue of micro credit has attracted growing interest from social scientists and policymakers alike. Quite surprisingly business historians are

engaging very little with this topic, despite its historical dimension and its unquestionable connection to the working of businesses. In fact it might be that business historians are writing on this subject, but because there is no clear definition of what micro credit actually is, these studies are not identified as part of the literature on this topic. This factor represents an artificial barrier between business historians studying problems such as the financing of small firms, the development of credit cooperatives, or state-sponsored financial support of specific projects, from other social scientists, such as development economists, sociologists, and anthropologists engaging explicitly with the issues of micro credit. It is also very likely that a number of interesting problems and case studies of micro credit experiences have been neglected by business historians simply because not enough attention has been paid to this issue. This paper is a first attempt at opening the issue of micro credit to the explicit consideration of business history scholars and connecting the discipline with other social sciences. The rationale behind this choice is that current micro credit experiences prove to be successful or unsuccessful according to elements such as the level of entrepreneurship, the structure of social capital, the functioning of informal institutions that develop over the long run and can be better understood by using an historical perspective. This paper first provides an operational definition of micro credit, suitable to be adopted in a business history perspective. By reference to the economic literature on asymmetric information and credit rationing, we base our definition of the idea that micro credit is not determined on the basis of size per se, rather by the fact that it might be below the minimum threshold necessary to use the official credit market. Because such threshold varies very much according to the historical and geographic setting, various case studies apparently very diverse can be studied under the same explanatory framework. On the basis of the definition above, in this paper we provide a survey of micro credit experiences in post World War Two Britain. We focus on issues concerning suppliers (largely the enforcement of contracts) and problems regarding recipients and the whole economy, mainly the productive use of micro-financial resources. In addressing these issues, this paper looks at the historiography on the following themes: the working of business communities; the problem of entrepreneurship; the impact of formal institutions (such as bankruptcy laws and procedures), and the role of informal rules of behaviour coming from religion, social norms and customs.

Kim Dong-Woon - Family-owned Big Business in South Korea: A Managerial Revolution

In the Korean economy, British-style personal and American-style managerial capitalism coexist. The economy is 'personal and managerial', or 'personalized managerial', capitalism. It is personal capitalism in that the dominant chaebol is essentially a family business; it is managerial capitalism in that the chaebol is also a modern big business. In chaebols as family-owned big businesses, a managerial revolution has been taking place without the separation of ownership and control.

The chaebol is a conglomerate where extremely diverse business interests are run by a large number of companies. Each company has its own professional managers and workforce organized into a well-developed hierarchy. In particular, larger industrial companies, which usually carry out the three-pronged investment, tend to have larger and more sophisticated managerial hierarchies.

Yet, all legally independent member companies are owned by a particular family and, ultimately, controlled by a family member who, as the dominant entrepreneur, takes the status of both the representative owner and the group chairman. This is made

possible by strategic interlocking ownership that is led by the entrepreneur and his intimate group consisting of three clusters of in-house shareholders - family members, family-owned charities, and key managers of member companies.

The dominant entrepreneur is involved in the management of only a few key companies. In most other companies, members of the intimate group and other managers act as the entrepreneur's proxies. As the result, all member companies in a chaebol, informally or even illegally, constitute 'one' inter-related and interdependent big business where de facto 'one' large-scale managerial hierarchy is headed by 'one' dominant entrepreneur. The overall structure appears to be, say, 'personalized M-form'.

This paper explores this Korean-style managerial revolution. Main concerns are: what the management structure looks like, whether it resembles M-form, and to what extent family members are involved in both ownership and management. The paper addresses these issues especially with regard to the four largest chaebols (Samsung, Hyundai Motor, LG and SK) after the 1997 financial crisis, although it freely refers to a larger group of chaebols and a longer period.

Xavier Duran - The relationship between private incentives and subsidies in large infrastructure projects: Insights from the case of the Pacific Railroad.

The Pacific Railroad (PR) was built to connect the eastern US to the Pacific Ocean (1863-9). It was funded with substantial subsidies and by 1873 it was clear the promoters had pocketed an important part of them as construction profits. The natural question is: were subsidies necessary to promote private construction of the PR? Existing literature has adopted an ex-post qualitative or cost-benefit (social savings) approach to answer this question. My thesis argues that an ex-ante (expected) private profitability approach should be used instead.

Private and public documents written by the three most persistent entrepreneurs in promoting construction of the PR were examined (1845-62 mostly) to gather evidence on expected profitability. The entrepreneurs' expected outcomes, as declared in these documents, show that i) technical and economic uncertainty had been greatly reduced before construction was initiated as the expected route, grades, tunnels, bridges, traffic, costs and revenues had been identified by 1861, and ii) the investment was expected to be profitable. However, entrepreneurs also faced incentives to lie. On the one hand, the political economy of large infrastructure projects induced them to underestimate private profits and overestimate social gains in order to obtain government funding. On the other, capital markets induced them to overestimate private profits so that they could gain access to private funding. A simulation exercise is performed to study if the PR should have been expected to be profitable, after controlling for the perverse incentives described above. In order to maintain the ex-ante spirit of the exercise, the simulation model uses only information similar to that used by the entrepreneurs, and publicly available by 1860 or before. It then models entrepreneurial behaviour following the logic of the calculations they performed as presented in the documents examined. The simulated outcomes indicate that full diversion of traffic from shipping was implausible as rail costs were substantially higher than sea transport costs. However, if merchants valued the new good benefits derived from time savings and safety of the PR route, profits should have been expected. Comparison between declared expected outcomes and observed outcomes indicate that entrepreneurs initially declared the PR would carry high traffic levels at low prices and, once government subsidies had been granted, they declared it would

carry low traffic levels at high prices. Once built, the PR in effect operated at low traffic levels and high prices. This evolution of declared and observed outcomes may be explained by differences in pricing strategies, which were initially intended to please Congress (in order to obtain government funding) and then the capital markets (to obtain private funding), rather than mistakes of a specific entrepreneur.

Technical and commercial uncertainty about the PR had been greatly reduced before construction started and, consequently, subsidies were not necessary to promote private construction of the PR. Despite this fact, subsidies were granted due to the political economy of large infrastructure projects. When entrepreneurs realised the potential for subsidies to be obtained, they declared expected outcomes that allowed maximising profits from complementing capital market resources with government funding.

Anton Ehlers - Black economic empowerment, apartheid style: The case of Pep Stores Peninsula Limited, 1973-1974.

The economic empowerment of previously disadvantaged black people is currently a hotly debated topic in South Africa. In a certain sense black economic empowerment is however not a new concept in South Africa's more recent past. The apartheid policies of the National Party also made provision for the economic development of black people - needless to say, on a separate group basis for Africans, Indians and Coloureds. In the process state controlled corporations were founded to finance and drive the process. The Coloured Development Corporation was for example specifically founded to stimulate economic participation and development among Coloureds within their specific group areas. The Corporation financed and supported Coloured controlled businesses and industries to achieve this aim. Coloured control was defined as 51 percent share holding of a business being in Coloured hands. Some white businessmen seized this opportunity to access Coloured group areas as markets by establishing companies with a 51 percent Coloured shareholding to trade in these areas. Pep Stores Limited, a clothing retail company founded in 1965 and serving the bottom end of the market was probably one of the earliest and most well publicized examples in this regard. After initial correspondence and deliberations with the Coloured Development Corporation in 1973 the company founded Pep Stores Peninsula Limited in 1974 to access the Coloured group areas in the Cape Peninsula as potential market for their business. This initiative fore grounded the problems and pitfalls of black economic empowerment on an apartheid basis. The paper is an attempt to highlight some of the dynamics the Pep Stores initiative generated. The motives and mechanics of the Pep Stores initiative, Coloured Development Corporation reaction, the diverse reaction from within the Coloured community, broader public reaction and the eventual fortunes of Pep Stores Peninsula Limited are some of the aspects discussed in this regard.

Felipe Tâmega Fernandes - Comparative Advantage and Productivity Gap under Scarcity of Resources: British and American Rubber Manufacture Industries Compared, 1870-1910

The fast growth of the Chinese economy, which in 2006 reached 10.7%, has revived doubts about growth sustainability and access to resources. China is certainly committed to getting the resources needed to sustain its sky-rocketing economy, and is taking its quest to lock down sources of oil and other necessary raw materials across the globe. In a context of long term instability in the Middle-East, China's appetite for oil has channeled investment into Africa, notably into countries such as

Sudan, Algeria, Gabon, Chad, Nigeria, Equatorial Guinea, the Republic of Congo and Angola. The latter country has even become the single largest supplier of oil to China. In a world of scarce resources, access is a valuable asset to sustain economic development and growth and, in that regard, the much earlier battle for resources brought about by the American rise as an industrial power might help us understand the Chinese current quest for resources. However, the United States is usually regarded as a rich resource country and several theories explained its economic development and growth as based on access to cheap domestic resources. For instance, Wright (1990) and Nelson and Wright (1992) claimed that American manufacturing exports were increasingly intensive in non-reproducible resources. Furthermore, Habakkuk (1962), Wright (1990) and Broadberry (1994) also reinforce the role of resource endowments.

Evidences from rubber manufacture industry do qualify these long accepted ideas though. Until 1910, and consequently before the advent of crude rubber plantations, the United States did possess a productivity advantage in rubber manufacturing compared to Britain but it is shown here that this productivity gap was not laid upon an easier and cheaper access to crude rubber, the main input in the industry. Oddly enough, wages might partly explain the productivity gap but it seems that protection (in form of tariffs and patent rights) might have played a decisive role.

Moreover, the paper qualifies Crafts and Thomas (1986) who claimed that Britain was a laggard just before the Great War. As far as rubber manufacturing is concerned, British rubber manufacture net export in the first decade of the twentieth century was higher in Britain than in the USA despite the fact that the US rubber manufacturing industry was three times larger than its British counterpart. Revealed comparative advantage further shows that Britain was ahead of the United States up to 1908.

Therefore, the paper addresses the issue of why American productivity gap in rubber manufacturing did not translate into comparative advantage. In addressing this issue, two questions emerge: 1) Why was rubber manufacturing productivity higher in the United States? 2) What then explains British comparative advantage in rubber manufacturing in a context of higher US productivity in this very same industry?

It is argued here that standardisation of demand, the move towards mass production in the USA and protectionism (and possibly wages) explained the productivity gap that was partly offset by easier access Britain had to the main input in the industry: crude rubber. It is further shown that British position in crude rubber market lied on possession of (rubber producing) colonies and naval power that allowed that country to extract monopoly rents from its main competitor. The paper indeed shows, through the estimation of elasticities of demand for crude rubber (based on the Almost Ideal Demand System), that this favourable position in the market for that raw material allowed British rubber traders to influence (at least marginally) quality and prices of the main input in the US rubber manufacture industry. Expansion of the US rubber manufacture industry was thus tied to developments in crude rubber market that was controlled by British traders. A corollary of the argument is that the success of British domestication of (hevea) rubber tree released the strings to the supply of crude rubber, which consequently allowed US rubber manufacture industry to develop even further. With the capture of even more economies of scale and scope, productivity across the Atlantic diverted after 1910. Therefore, the lesson from American rise to power is that

imperialism may pay off and securing sources of key commodities may even provide a cutting edge in manufacturing.

Omiros Georgiou and Lisa Jack - Gaining Legitimacy: Where has Fair Value Accounting come from?

Fair Value Accounting is currently a matter of considerable debate, since it forms a significant component of the International Financial Reporting Standards (IFRS) adopted by over 100 countries and is a matter on which the adoption of IFRS by the United States is concerned. The use of fair value as a basis for measurement of assets and liabilities and the subsequent gains and losses arising from their disposal has implications for the way in which business entities manage the data associated with their assets and liabilities, report the value of the company to multiple stakeholders and make decisions about acquisitions and merges. Not everyone is convinced that fair value is a legitimate conceptual basis for accounting but this is not a new story – fair value has had legitimacy in the past but been superseded by historic cost reporting or incorporated into ‘mixed measurement’ practices. In the Nineteenth century it was normal practice in Europe for fair or market values to be used in balance sheets, until replaced by historic cost accounting as a legal requirement. Fair Values were also advocated in early Twentieth Century America but again superseded. ‘Mark to Market’ accounting was conceptualised and promoted by theorists and practitioners in the US from the 1940s, and this work influenced the standard setters of the 1960s onwards. Debates on the use current values in the UK, and on asset revaluation are relevant to this historical investigation, as is the growing use of economic value added models used for performance measurement and share valuation.

The underlying question of why the International Accounting Standards Committee (now Board) adopted fair value accounting in the late 1980s onwards and who and what were the influences on its decision to do so forms the basis of this investigation. The longer history of fair value accounting is examined from two theoretical perspectives in order to evaluate whether or not it is likely that fair value will be successfully institutionalised this time, when it has not been successful in the past. The first perspective is a Chandlerian one, examining the interaction of accounting processes and organisational structures in shaping large corporations in society. The second perspective is on the process of gaining and losing legitimacy in the institutionalisation of accounting and business practices.

Dave GOODWIN - “Digital Equipment Corporation – Downsizing – cause or cure”
Digital Equipment Corporation was founded in 1957 by two MIT engineers and by 1988 it had grown to be the world’s second largest computer corporation. From this heady height it took a mere 10 years for the company name to disappear completely. Ken Olsen, the company founder, implemented a corporate culture of benevolence to its employees creating a family atmosphere and as such it was generally considered to be a job for life with a no redundancy policy. In an unprecedented action for the company, it began to lay people off first in the mid 80’s then again in the early 90’s and followed this with a number of rounds of downsizing over the next few years. Downsizing was introduced as a reaction to the perceived problems the company had in terms of income per employee and headcount, it had always been able to charge a premium for its products and as the computer hardware moved towards commodity pricing was caught unawares and had to react to excessive costs. This paper looks at the way the downsizing activity was handled at the Digital Equipment Corporation

both in manufacturing and in the field organisations and asks whether this activity had a positive or negative impact on the future of the company. The downsizing caused anxiety amongst those employees that remained and created an air of tension and resentment within the company. Many of those that left were dazed but often managed to get alternative employment with competitors and took with them essential skills and even worse, customers. Those that stayed were always fearful of the next 'round' of cuts essentially stagnating the innovation. The downsizing also, relayed to potential customers that the company was in trouble and so sales were lost as a result.

Julian Greaves - British Road Policy Before the Second World War: A Case of Contested Authority

The rise of motor transport in the twentieth century, both private and commercial, has gone hand in hand with a reinvigoration and major expansion of road networks. However, there has been a tendency in the historiography for the motor vehicle to attract rather more attention than the 'track' on which it operated. In the United States this has still left room for an enormous literature on highway building. But in Europe road policy, especially before the Second World War, remains an under-researched topic. This is particularly true for Great Britain, despite being one of the countries where motorisation had made most progress down to 1939. The present paper examines the background to this intellectual neglect. It is suggested that hitherto British road policy has been too readily subsumed into other debates, notably those on the 'decline' of the railways; the potential impact of road building on employment in the construction industry at a time of mass unemployment; and the place of motor taxation in the fiscal system. Moreover, as plans for German-style autobahn were consistently rejected it was easy to dismiss interwar road initiatives as relatively insignificant. However, this has tended to obscure the fact that several important schemes were implemented, and that by the 1930s a nascent national highways policy was emerging. From it is suggested there are ways in which the debate can now be moved forward. In particular, the contested nature of road projects provide important and hitherto neglected insights into economic and social priorities, spatial development, the structure of power, and the role of the state in Britain at this time.

Per Hansen - Central Banks as Free Riders. The Scandinavian Central Banks during the Credit-Anstalt Crisis, 1931.

This paper discusses the behaviour of the Scandinavian central banks of Norway, Denmark and Sweden in the establishment in 1930 of the Bank for International Settlements, and in the lender of last resort operation for the Austrian National Bank orchestrated by the BIS in May 1931. The purpose is to analyze whether the three Scandinavian central banks acted as free riders in this first attempt at institutional international financial co-operation. Based on the archives of the three central banks as well as the BIS and the Bank of England it is argued that the Nationalbanken, the Norges Bank and the Riksbank did act as free riders, but also that there were differences. It is demonstrated that the governor of the Swedish central bank, Ivar Rooth had a keen interest in co-operation with the BIS and that within certain limits he was very interested in involving the Riksbank in the Austrian operation. He did not have the necessary back up from his co-managers, however. At the other side of the spectre was the Danish central bank which took a pragmatic approach to the whole issue. They would have loved to be with, but it should not cost any money, and the evidence suggests that the Nationalbanken was a free rider looking for excuses to stay out. As for the Norwegian central bank there is not much evidence, but it is clear that the governor, Nicolai Rygg,

did not have the necessary support from his colleagues to involve Norges Bank in the operation. Thus, none of the banks lived up to Charles Kindleberger's version of Kant's categorical imperative, when he suggested that the small central banks were opportunists during the financial crisis of 1931.

Catherine Harbor - Making a Market for Music in Eighteenth-Century London

...here it was that the masters began to display their powers afore the wise judges of the towne, and found out the grand secret, that the English would follow musick and drop their pence freely; of which some advantage hath bin since made.

Roger North, *An Essay of Musickall Ayre* c.1715–20 (Wilson, 1959)

Throughout history music has played a part in public ceremonial of many kinds: in social rituals and communal celebrations, as part of church services and theatrical performances, in association with state and municipal ceremonies. Those musicians who were paid for their services often relied on the patronage of court, church or the wealthy for their livelihood; they were in effect waged servants who composed, performed or taught at their employer's bidding. It was in England in the late seventeenth and early eighteenth century that a new means of supporting music and musicians gradually began to develop alongside the patronage system. Musicians started to arrange public concerts for which they charged admission. Music was developing its own public who wanted to listen to music for its own sake rather than as part of some other ceremony, and who were prepared to pay to do so. These first commercial public concerts heralded the emergence of music as a business and its gradual move into the public sphere (Habermas, 1992, Love, 2004, Brewer, 1995).

How was this new business organised? Individual musicians acted as entrepreneurs, advertised their concerts in newspapers and elsewhere, engaged other professional musicians to play or sing, charged admission and hoped to make a profit. There was not a large public for commercial music concerts as this was a pastime for the elite: only the wealthy and educated were likely to have sufficient interest, time and money. The concert promoters did not have the benefit of modern marketing theory; ideas such as the 7Ps of the extended marketing mix (Booms and Bitner, 1981), constructing a customer value proposition (Anderson et al., 2006, Holbrook, 1999, Zeithaml, 1988), or marketing specifically aimed at cultural events (Bernstein, 2007, Diggle, 1994, Heaney and Heaney, 2003, Hill et al., 2003, Kerrigan et al., 2004, Kolb, 2005, Kotler and Scheff, 1997, O'Reilly, 2004, Towse, 1997) were unknown to them. Yet they produced sophisticated advertising material to promote their events (Harbor, 2007, McGuinness, 2004a, McGuinness, 2004b) and we can trace the beginnings of a hierarchy of musical styles, performers, venues and prices in concert organisation which became more distinct as time wore on and which is still to be discerned today (Bourdieu, 1984, Holbrook et al., 2002, McVeigh, 1993).

Taking as its source information derived from some 5000 advertisements for concerts which appeared in newspapers published in London between 1672 (the date of the first concert advertisement) and 1750, this paper will trace the beginnings of the organisation of music as a business, focussing specifically on aspects of concert organisation and marketing.

Charles Harvey, Jon Press and Mairi Maclean - Cultural Leadership and the Dynamics of Taste

Of all the conversion techniques designed to create and accumulate symbolic capital, the purchase of works of art, objectified evidence of 'personal taste', is the one which is closest to the most irreproachable and inimitable form of accumulation, that is, the internalization of distinctive signs and symbols of power in the form of natural 'distinction', personal authority or 'culture' (Bourdieu 1984: 282).

This paper explores four important questions at the juncture between cultural and business history. How do fundamental movements in society – ideological, social and cultural – manifest themselves in the production and consumption of goods and services with distinctive qualities and attributes? How do producers and consumers interact to inspire cultural movements and the establishment of 'communities of taste'? How do tastes spread beyond a small circle of leading edge consumers to gain acceptance across a broad swathe of society? How are tastes transmitted across generations, consecrated as 'classical', ingrained in the national consciousness, and elevated to iconic status? These questions are explored through a study of William Morris and his impact on the decorative arts in Victorian Britain and beyond. We demonstrate how Morris, through the exercise of cultural leadership, gave physical expression to the ideals and sentiments of Romanticism, and how in turn this gave rise to a community of taste reaching across class boundaries and generations. Morrisian products and designs, through the agency of his disciples, became institutionally embedded, emblematic of refinement and good taste. A process model of taste formation is deployed to explore the economic and social dynamics at work in the Morris case and more generally.

Michael Heller - London Clerical Workers and Market Position 1880-1914: the black collar worker revisited.

Male clerical workers resident in London between 1881 and 1911 increased from 80,109 to 126,395. By the latter date commercial clerks were the largest single male occupational category in the Census. Female clerks resident rocketed from 2,327 to 32,893 over the same period. If we add to these figures clerks who worked in London but resided in the new suburban developments and metropolitan areas of Middlesex, Essex, Surrey and Kent the figures were higher still. Office work was thus the fastest growing sector in London in the late-Victorian and Edwardian decades and its legacy remains in the contemporary British capital today.

Historians have by far agreed that the economic and occupational impact of this growth on male clerical workers was disastrous. It is argued that this growth and the factors that were fuelling it led to a downturn in clerical income, job security and promotional prospects due to an oversupply in numbers, a feminization of the office and a deskilling process due to the mechanization and bureaucratization of office work. The impact of modernity on the male clerk was thus the transformation of his work from a respectable and well-paid middle-class profession into a marginal, secondary and effectively working-class occupation.

This paper, based on an article being published in Business History later this year, questions all of these arguments. Based on comprehensive archival research in the

banking, insurance and financial sectors and local government, and supported by previous research in the railway industry and the Post Office, it argues that incomes of clerical workers rose throughout the period and that there was no change in promotion opportunities or market position. While there were radical shifts in the structure of clerical work and to some extent the composition of new entrants, there was no corresponding deterioration in the economic or professional condition of male clerical work. This has important implications not simply for scholars interested in the development of occupation and bureaucracy, but also for those interested in consumption and the growth of advertising, retail, distribution and marketing for the period covered. Much of these developments were centred on the growth of a lower-middle class salaried segment who enjoyed stable and rising incomes. The dominant 'decline' theory of clerical workers in the late-nineteenth and early-twentieth century clashes with work being carried out on the above mentioned areas and can, it is argued, only be resolved if this whole area of decline is questioned.

Jan Hewitt, Peter Thomas, John Wilson -Professionalism in British management: bogus claim or reality?

In assessing the professionalisation of British management and the influential position enjoyed by accountants in British business, a multi-disciplinary approach is adopted in order to provide a better understanding of the processes at work. After devoting some space to analysing the literature on professionalisation, our main concerns are [1] the degree to which British management has become professional; [2] the relationship between managers and accountants; and [3] the extent the former 'mimic' the latter. The power exerted by accountants could well be seen to have successfully challenged the autonomy of other managers, further undermining the ability of the latter to lay claim to any professional status. When trying to understand the limits to the emergence of a professional cadre of managers in the UK, it is vital to consider the corporate dynamics at play, especially in the larger firms where accountants came to play highly influential roles. While Chandler has provided an interpretation of why British managers were allegedly less professional than those in the USA and Germany, this thesis lacks credibility when one considers the nature of British corporate dynamics and the limits this imposed on managerial developments.

D.M. Higgins, S. Toms - The evolution of the market for control in Britain, c1945-c.2000: new evidence from brewing and textiles

This paper presents the results of a new investigation into the operation of the market for corporate control (MCC) in Britain during the post-1945 period. It is well established that the British economy was subject to numerous waves of mergers and acquisitions (M&A) during this period and that the intensity of M&A activity varied significantly between industries (Hannah and Kay, 1977; Fairburn and Kay, 1989). Traditionally business historians have examined these waves to determine the rate and scale of growing concentration in British industry. This empirically driven study differs from previous literature because it uses M&A to examine the development of the MCC. Specifically, we calculate the 'takeover premium' for two industries in which M&A activity was especially pronounced: textiles and brewing. This paper tests a series of propositions concerning the evolution of the MCC and our principal findings indicate that in the early post-1945 period these premia were substantial but subsequently declined as the MCC developed. As such, this paper examines the interplay between (financial) market efficiency and corporate governance in the UK and sets out a research agenda in which these themes can further be investigated.

Kenneth Hopper - THE VISIBLE HAND IN MANUFACTURING IN THE US, THE UK, EUROPE AND JAPAN

In my paper I would discuss some or all of the following:

- how Americans under Macarthur were able to teach the postwar Japanese how to create efficient factories, although there were (a) no American models to copy within five thousand miles; (b) no Japanese executives who had occupied senior positions in US companies; and (c) few Japanese executives who even spoke English.
- what happened to Japanese manufacturing after the Americans went home in 1952.
- in what ways the postwar Japanese model resembled, and how it differed from, the postwar American model.
- the nature of the so-called 'British disease', and how it can be explained in terms of the class structure of the British factory.
- the role of engineers in modern society, comparing the UK, the US and China and the implications for industry.
- the implications for the above for developing nations.
- lessons from CCS for today's business schools.

Lisa Jack - Intuition, Economics and Accounting: a 150 year history of business decision-making in agriculture.

There is a long history in agriculture of diagnosing farm problems and seeking solutions using a combination of economic theory and accounting data. Early proponents included the economist Aerobe in Nineteenth Century Germany, whose work influenced a number of economists working on the ground with farmers to set up systems of collecting farm accounting data in large quantities. By the 1920s, Germany, France, Czechoslovakia and Denmark had systems that were being examined by visitors from the US, who in turn set up systems of collecting data which became incorporated into mass participation inter-farm comparative analysis systems that are still in operation today, providing both base data for research economists and benchmarks for working farmers. Developments in the UK and in Australasia proceeded in slightly different patterns, with a greater emphasis on accounting methodology. Three phenomena emerge from the writings in academic and practitioner journals, which form the basis of the investigations underlying in this paper: Firstly, a sustained debate over the 150 year period examined here as to whether economics or accounting is the proper basis for the giving of advice and direction on farm decision making; Secondly, the institutionalisation of comparative accounting averages and ratios as the basis for decision making, and the ensuing debates over the reliability of such information; Thirdly, the role of intuition in the acceptance or otherwise of a number of methods informed by either or both economics and accounting, and the actual methods or modes of thinking used by farmers in decision-making. The examination of these phenomena allows the evaluation of both the role of intuition in the diffusion of accounting and economics based tools for decision making, and for the role of economics in accounting theory, and vice versa.

Valerie Johnson - 'Hierarchies and Divisions: An Imperial Perspective on British Multinationals'

This paper will highlight a different perspective on managerial hierarchies from that posited by Alfred D. Chandler, who concentrated on the importance of hierarchies to the professionalisation of management in the rise of the large modern corporation. By engaging with the literature of imperial history, which has been little used by business historians for whom Chandler has remained the dominant theoretical paradigm, my paper will argue that managerial hierarchies have not been discussed in relation to another function they performed: the embedding of differentiation and inequality into the structure of the large British multinational.

Chandler's arguments were based on a US-perspective, but for many British multinationals, expansion overseas meant expansion into the British Empire, both formal and informal. In these British companies, operating with geographically extended lines of control, the opportunities for staff to cheat were substantial, and as firms grew, the sheer numbers of staff involved meant that it was no longer possible to recruit trusted staff on the basis of personal knowledge. Based on empirical research into three British multinationals, the paper will discuss how head offices in London therefore tried to minimise the risks of poor information and mistrust by developing increased accountability through these new managerial hierarchies with their associations of professionalism and lines of command and control.

However, large companies staffed these hierarchies via the recruitment and socialisation of those who shared the same values as they did, and who were therefore seen as trustworthy. The result was a homogenous white male British management on the peripheries wielding authority over local peoples, who were trusted little and kept at the bottom of the hierarchies. Whatever their advantages in terms of transaction costs, managerial hierarchies therefore quickly became structured around ideas of superiority linked to nation, social status and race. The paper will argue that in the context of Empire, where hierarchy and domination were the very stuff of imperialism, corporate hierarchies were therefore powerful building blocks in what can be seen as the 'imperial' structure of large British companies overseas.

John R. Killick - EARLY (19th) MERCHANT ORGANISATION: A MODIFICATION OF CHANDLER'S ANALYSIS OF PRE RAILROAD AMERICAN TRADE

This paper examines Alfred D. Chandler's discussion of the decline of merchant enterprise in the United States. In Chapter 1 of The Visible Hand, Chandler analyses the predominant forms of trade organisation before the arrival of the railroad and the first modern corporations. He argues that after the decline of the multifunctional general merchants of the late 18th, the main American commodity trades like cotton and grain became controlled by hundreds of small specialised trading firms. The growth of new urban and industrial markets in Britain and America, and the development of the railroad and telegraph in the US, first increased merchant specialisation, and then created specialised commodity dealing. The huge new railroad and industrial corporations therefore soon controlled the US economy.

I would try to suggest that this is a simplification of the real situation. It is well known that merchant power lasted far longer in Britain and the Far East than in America, but

it probably lasted longer even in America than Chandler suggests. As late as the 1830s, in some case up to the 1850s. a small elite of merchants still wielded considerable market power, and controlled finance, shipping lines and railroads. My own interest is in the Alexander Brown partnerships, and the Thomas P. Cope shipping line. The best recent book on the House of Brown by Edwin Perkins, a student of Chandler's, emphasises their developing specialisation in finance, which fits in with the Chandler thesis. However he says little about the Browns' much wider interests in railroads and shipping in the 1830s and 1850s. Copes similarly had wider interests than shipping.

The Browns' and Copes' experience suggests the RR and other corporations were often initially shell structures mounted and organised by the leading merchants of the day, only later becoming autonomous corporations. Thus the Browns and the Copes had a major role in the early Baltimore and Ohio and the Pennsylvania RR. Other leading merchants similarly controlled major canals and RR such as the Delaware and Hudson, and Camden and Amboy - see Pierre Gervais, Les Origines de la Révolution Industrielle aux États-Unis (2006). My paper will concentrate on Browns and Copes, but with some reference to other merchants. It will suggest what special features of the US and Atlantic economy first prolonged the integration of these roles in the 1820s and 1830s, and then sharply dispersed them in the 1840s and 1850s.

Natalia Rocha Lawton - An historical analysis of the process of privatisation in Mexico: comparative study of TELMEX¹ and LyFC² Companies

This paper attempts to develop a comparative analysis of state and management strategies in the process of privatisation in Mexico. It highlights the importance of the relationship between the earlier historical changes experienced by these previously state-owned enterprises, from private to public companies, and the active union responses to these developments in terms of cooperative or resistant relationships. This analysis is carried out in the context of an account of the formation of public companies in the telecommunications and electricity industries in México in order to understand the particular characteristics of these two sectors and the subsequent government policies used in the process of privatisation. Thus the narrative of the evolution of these companies covers their nationalisation, modernisation, restructuring and privatisation. Likewise, this paper underlines a number of the implications of these historical moments for worker's collective organisation and identity in the contrasting historical contexts of nationalisation (and nationalism), modernisation and privatisation of these sectors of Mexican industry.

The perspective of this analysis is based on the conception that every enterprise as an operative unit within a particular industrial branch has a specific configuration. This means that each company will have developed particular ways of organising and regulating the workplace and specific rules and practices in industrial relations policies, but these policies and practices will also be subject to continual revision and change (Pries, 1995: 93).

¹ In the Telecommunication industry, the *TELMEX* Company (*Teléfonos de México*/ Telephones of Mexico) has remained the largest and most wide-spread telecommunication company in Mexico until today. TELMEX was set up in 1947 as a private enterprise, involving two companies' concessions: *Teléfonos Ericsson, S.A.* and *Compañía Telefónica y Telegráfica Mexicana, S.A.* (CTTM).

² *Luz y Fuerza del Centro*, LyFC (P&L Power and Light Company of the Centre)

M.J Lewis, R. Lloyd-Jones & J. Maltby - Corporate Governance and Personal Capitalism in Britain: A Case Study of Four Middle Ranking Manufacturing Companies c1900-1940

The paper examines the evolving pattern of corporate governance and personal capitalism in four middle ranking British manufacturing companies in the first half of the 20th century. The study was supported by a Leverhulme grant and the firms selected were: BSA (Birmingham); Robert Hadfield (Sheffield); Raleigh (Nottingham); and Alfred Herbert (Coventry). The firms manufactured products and sold into markets (both domestic and foreign) that covered a wide range of the engineering trades, and these included bicycles, motor vehicles, small arms, machine tools, specialist steels etc. The period of study focuses on the first half of the twentieth century with particular reference to the Great War and the increasingly hostile business environment of the inter-war years.

The key themes of the paper are concerned with: a) what were the main changes in the ways in which these firms were governed; for example, the emergence of holding companies, the retention of personal capitalist forms of control; changes in the form of financial disclosure and the power and responsibilities of company directors. b) an examination of the factors that impacted on governance regimes, how did these relate to evolving forms of personal capitalism and organisational culture? c) an examination of the various companies relationships with external stakeholders, including shareholders and other financial providers, customers, suppliers etc.

The analysis of these four companies has shown that while there were changes in financial reporting, nevertheless personal capitalist forms of governance persisted and were generally resistant to major changes in the pattern of accountability and control. The preliminary conclusions reached suggest a gradual evolution of governance systems in manufacturing firms coupled with some limited adaptation to the system of financial reporting. Control continued to be concentrated among a small elite group of directors. At the same time the study has shown some important differences between the companies examined, for example, BSA's relationship with its shareholders was far more vexed than at Robert Hadfield, and Raleigh in its early phase of development underwent a number of company reconstructions, but at the same time remained firmly under family control. The idiosyncratic nature of firms and their own distinctive organisational culture should be recognised and factored into the analysis.

Giuliano Maielli and Peter Clark - 'Creating Hegemony and Transferring Dependency: comparing the rise of Operations Management and Strategic Marketing in Italy and the US from 1900 to 1999

This paper looks at the connections and differences between Business History and Organizational Studies. These two fields of enquiry have not been often connected, yet they both put history (either explicitly or implicitly) at the center of strategic analysis, therefore linking past, present and future in a subtle but relevant way.

Is there a possibility to bridge Business History and Organizational Studies or must the two research agendas remain separated? If so, how can researchers on either camp push forward the epistemological boundaries of Business History and Organizational Studies? Can history be seen as an implicit agent affecting organizational and

strategic decision-making? Finally, how would Chandler's legacy affect developments in the two disciplines?

Chandler's explanation of modern economic growth revolves around the development of superior organizational forms driven by the necessity to exploit economies of scale. In this framework, organizational forms are inherently treated as "invention". The adoption of the M-form and the rise of managerial capitalism are seen as the determinants of economic development. The impact of their diffusion is seen as similar to the impact of the diffusion of a new general-purpose technology. The invention of new organizational forms underlines the shift from one historical era to another. In this approach the relationship between Business History and Business Strategy emerges as the possibility to strategize the selection of the right form of organization to respond (or anticipate) chronological changes in the size of the market. Time flow is described in a chronological way.

Organizational Studies, on the other hand, tend to look at organizational forms as social constructions, where the emergence of new business structures is the result of a complex process of social and economic changes, and where the evolutions of structures and superstructures determine a variety of outcomes whose explanation cannot rely solely on the analysis of rationally economic behaviors. The historical development of socio-political and economic structures becomes per se a factor in determining a set of possible outcomes and one of the variables that help to explain why some possibilities unfolded (or might not unfold) and others did not (or might not). Change is explained through the analysis of why some structural repertoires developed and remained stable over time, while others collapsed. Organizations are seen as timed space. Different forms of organization and technology coexist, as do different timed spaces, in the same chronological era. Time flow can be either revolutionary or evolutionary or both, even in the same organization. The relationship between Business History and Business Strategy relies on the possibility to design scenarios of possibilities and to identify constraints that could prevent some scenarios from unfolding.

By comparing the rise of Operations Management and Strategic Marketing in Italy and the USA, this paper tries to develop a complementary approach to that of Chandler, one that links the historical developments of structures to strategic management but also sees history as a hidden agent affecting decision-making through the accumulation of intangible assets and structural repertoires. Path dependence is seen not only as the outcome of the accumulation of fixed assets and knowledge but also as the result of the political action of different employment blocks towards the reinforcement and defense of their own hegemony within structures.

Ian Martin - Making space for computers in the business of banking: Barclays and Britain in the 1960s

In July of 1961 Barclays opened Britain's first computer centre for banking in London, England. This building was not just an operational home for a British-built EMIDEC 1100 computer; it was also a site for public display. Prior to the start of the sixties Barclays had been cautious in its use of technology to mechanise, let alone computerise, its banking operations. Yet, at the beginning of this new decade that was to see Britain "forged in the white heat" of a technological revolution, Barclays purposefully set about carving a reputation for itself as a technological innovator.

Rather than revolutionising the business of banking, however, Barclays slowly accommodated computers within traditional banking structures in order to carefully manage the public and private perceptions of its customers and staff. Internally the computer was firmly portrayed as the slave to the master of the bank manager in the branch. Externally, anthropomorphic representations of the computer in the media and an emphasis on branch staff now freed from the mundane in order to focus on customer service, ensured that the gradual process of automation was not seen as a route towards depersonalisation. In my analysis that connects history of technology, business history, and human geography disciplines I examine the places and spaces of Barclays computer operations throughout the 1960s and show why the shift in accountability from bank branch to computer centre needed to be a gradual process in order that the business of banking be preserved.

Ying Yong Ding and Sam McKinstry - WHERE GENERALISATIONS FALL DOWN: ALEXANDER COWAN AND COMPANY, PAPERMAKERS, EDINBURGH, 1779 to 1975, IN THE LIGHT OF COMMENTS BY CHANDLER AND MAGEE

Chandler has famously denounced British personal capital for its ‘entrepreneurial failure’ and also written briefly but negatively about the British papermaking industry. A later study by Magee (1997) has also concluded that the British paper industry failed to achieve its potential, as against the American, for reasons of higher costs and technological backwardness, reaching similar conclusions to Chandler, but for slightly different reasons.

The present study is based on a preliminary investigation of Alex Cowan and Co Ltd of Penicuik, near Edinburgh, which was once Scotland’s largest paper mill, and which specialised in quality papers and at an early stage provided the paper for Sir Walter Scott’s Waverley novels. The firm was in the middle 1960’s taken over by Reed Paper Group Ltd., and the Penicuik mill was closed in 1975.

It concludes that there are many difficulties with Chandler’s generalisations, including, for instance the fact that the terms ‘personal capital’ and ‘family capital’ are never precisely defined, thus making it difficult for case studies on individual firms to be used as ‘test beds’ for his theories. Additionally, there are gaps in Magee’s study which make it difficult to test his claims.

While dealing with these problems, the paper makes it clear that the Cowan example, in broad terms, undermines both Chandler’s and Magee’s assertions about the British papermaking industry, pointing out that niche production at the higher ends of the quality spectrum was a recipe for success and sustained profitability.

John Mercer, Teresa da Silva Lopes, Paul Duguid - The first hundred years of trademark registration: shifting patterns in France, the US, and the UK
From the 1850s in France and the 1870s in Great Britain and the United States, trademark registers have recorded the shifting patterns of registration, providing a valuable resource for analysing on a national, regional, and firm level changing trade mark strategies. This paper analyses developments in trademark law and trends in registration statistics in France, the US, and the UK from the mid-nineteenth century.

The paper will consider the drivers behind the development of trademark law, and considers which nations and sectors were at the forefront of trademark legislation and, subsequently, registration. A central concept of the paper is its comparative perspective, to assess the development of legislation and statistics of registration in the three countries.

This paper samples the data on registrations collected by trademark agencies in these three countries, to examine numbers and proportions of registration by sector. It looks at benchmark years – generally, the first year of each decade between the start of national registration in each country (the later decades of the nineteenth century) and 1970. The sample is further defined by a closer examination of trends in registrations for non-durable consumer goods, such as food, drink, tobacco, and medicines.

Long-term trends, country-specific developments in trademarks, and sector-focused patterns will be identified in the registration data, in addition to reactions to new legislation on trademark registrability.

Peter Miskell - Strategy and structure in the international film industry: a post-Chandlerian perspective

That the international film industry has, since the First World War, been dominated by an oligopoly of US film companies is well known. The social and cultural implications of US dominance of this important cultural industry have been much debated. The economic rationale for why America became the centre of this global industry has also been quite convincingly demonstrated. Less well understood, however, is the process by which US firms actually went about building and operating their overseas businesses.

Film and business historians have (following Chandler) emphasised the importance of vertical integration in the industry during the so-called ‘studio era’. In particular, they emphasise the crucial importance of film exhibition. The number of cinemas a firm owned was arguably at least as important to its success as the quality of its films. Without complete control of the processes of production, distribution and exhibition (the argument runs), firms could not hope to become major players in the industry.

As business history enters its post-Chandler era, a re-examination of some of these arguments is perhaps due. In particular, several questions present themselves.

1. If control of film exhibition was so crucial to firm performance, how were US companies able to achieve global dominance without owning foreign cinema chains? Indeed, why were some important US film distributors able to operate successfully without owning cinemas even in their domestic market?
2. Why was it that the same oligopoly continued to dominate (and indeed strengthen their grip on) the industry after they had been forced to sell their cinemas in the 1950s?
3. To what extent was an alternative business model, with production, distribution and exhibition controlled by independent firms, viable even during the studio era?

This article argues that control over distribution, rather than exhibition, has historically been the key to success in the film industry. Cinema ownership has at

times certainly bolstered the position of film distributors in certain national markets, but successful international distributors have not always needed to integrate forward into film exhibition. Nor have they necessarily needed to integrate backwards into film production. Successful international film distributors have been able to operate by sourcing their product from independent producers (sometimes from different national markets).

The film industry has been seen as a case study of an industry which underwent a radical transformation (an industrial divide) in the post-war era. This article attempts to offer a re-assessment. It suggests that some of the firm strategies / business practices that are common in the industry today, were also evident in earlier periods. The adoption of a Chandlerian framework to analyse the film industry has been extremely useful in helping us to understand the growth of some of the leading US firms, but has arguably lead us to overlook alternative business models. In the film industry, like other 'cultural sectors', firms have often succeeded by functioning with very loose 'federal' structures, rather than closely integrating and co-ordinating their activities. While the benefits of scale and scope have been crucial in the field of distribution, they have been less so in terms of film production – where freedom and autonomy for key creative personnel have been important considerations.

Stephen Morgan - The role of industry and publishing networks in the diffusion of Western management knowledge in China before 1949

Chinese managers and business leaders before 1949 were far better informed about the latest advances in Western management knowledge than past scholarship would have us believe. Professional and industry associations played a major role in the diffusion of knowledge about accounting, economics and industry management. By the early 1930s there were associations for accountants, economists, engineers, personnel managers, and specialist lobbies such as the China Institute for Scientific Management. In Shanghai these associations brought together entrepreneurs, managers, business academics, government officials, along with leading publishers, authors, editors and translators of major foreign works on all the major business topics of the day. The paper draws on a bibliographic database of business publications and membership lists of selected associations to map the network ties and social relations of those involved in publishing and promoting ideas about management organization and practice in China. In particular, it seeks to explore the formation of social capital through the dense network of ties that created a community of what the paper calls 'management intellectuals', a group whose mission was to promote the modernization of China through the improvement of the management of its industry and commerce.

Lucy Newton - 'Touting for business': British Banks and their customers, 1945-1970

This paper considers the marketing and public relations activities of the 'Big Five' British clearing banks in the period from 1945-1970, and in particular the relationships with their customers. British banks formed a cartel and dominated the market for domestic financial services from the early twentieth century onwards. This cartel, combined with government imposed restrictions upon lending, meant that banks were severely restrained in their ability to offer new products and consequently to distinguish themselves from their competitors. It also meant that consumers had limited choices in terms of financial service providers. In this environment, bank

managements had to rely heavily upon building brand image and utilising marketing techniques in order to differentiate themselves and to attract customers. For many bankers such techniques were new and unpopular – they were not used to communicating with their customers. From the perspective of the consumer, the paper aims to examine if the adoption of such marketing, brand building and public relations efforts were successful or not. It will draw upon sources from bank archives but also from newspapers, consumer groups and public inquiries in an attempt to gather both the perspective of banks and of their customers. The paper presents an analysis of personal customers and their relationships with, and views of, British banks in order to build upon the growing literature concerned with corporations and their consumers.

Muriel Petit-Kończyk - BIG CHANGES IN OWNERSHIP STRUCTURE IN FRANCE . Multiple voting shares in the interwar period

In the 1920s, more than 1000 French limited companies in all industries issued multiple voting shares, dramatically breaking the rule of “one share, one vote”, with the number of voting rights per share ranging from 3 to 20. The existence of such legal devices, allowing the transfer of property in the hands of controlling shareholders, is not surprising during the time of the interwar period. Indeed, in their famous book, Bearle and Means [1932], focused on the problem of separation of control in the context of the emergence of big corporations with dispersed shareholders in the USA. Less known are the French debates on this topic during the same time : French legal experts, Massonaud [1930], Cormier [1932], Villeneuve Roquefort [1932] and many others showed, through their analysis of the development of multiple voting shares and the prediction of their abuses, that this preoccupation of enterprise governance existed beyond the frontiers of the USA in the interwar period.

In our paper, we have classified all the arguments of these French authors from the old debates on the multiple voting shares in two parts. In one part we have the supposed motivations of issuing firms and in another part their negative effects on the management of firms and the wealth of shareholders . However, our interest is not only for the history of economic thinking, our objective is also to differentiate between some of these old arguments in competition. In this aim, we have carried out tests by using new data collected on the issues of multiple voting shares and the performances of common stocks, from the resources of our data base “Old Paris Stock Exchange”. To conclude, a case study of an issuing firm, the chemical firm Air Liquide, details the transfer of control towards a shareholder group. The data are first hand and from the minutes of annual meetings found in the firm’s archives.

In the first point of their arguments, The French legal experts of the interwar period give some motivation for the issue of multiple voting shares. These financial arrangements could give the majority to a group of experts in management and as a result could avoid bankruptcy or make the buyout of firms in difficulty easier . Another motivation, which we have called “Timing arguments” is the protection of control against takeovers. This pretext was widely used by managers in their communication with shareholders in the 1920s just after the First World War and during the monetary crisis in 1926. In other sources, some authors suggest that in the bull stock market at the end of 1920, buying multiple voting shares could also help controlling shareholders to realize capital gain, by selling their common stocks

without loss of control. In the second point of their arguments, these French authors emphasized that the multiple voting shares could have negative effects such as management entrenchment, cascades of private benefits from the use of interlocking directorates or pyramiding schemes : these arguments are similar to the Agency Theory recently developed by agency theorists like (Jensen & Meckling [1976], Grossman & Hart [1988], Harris & Raviv [1988]).

Some of these old arguments have only been checked by our statistical data and tests. Concerning the motivations of firms, we reject the argument of protection against takeover before 1926 but we keep the argument of capital gain without loss of control in the bull market at the end of 1920s, because most of the issues are clustered in the period 1927-1929. Concerning the “Agency view”, our tests show that after the issue of multiple vote shares the performance of issuing firms are not significantly different from ones of reference non-issuing firms and so the “agency view” is not verified. However, concerning the “timing view”, our tests show that one year before the issue of multiple shares, the performances of issuing firms are better than the reference non-issuing firms, so we keep the “timing view”. Lastly, to show how the “timing view” and “agency view” could be in competition in the individual firm we present the detailed case study of Air Liquide.

Eline Poelmans - The influence of ‘governmental participation’ on the concentration of the coal producing companies in the countries of the European Coal and Steel Community (ECSC) between 1952 and 1968

After WWII, there was a strong tendency in Western Europe to create a new economic system, in order to prevent a new ‘Great Depression’ and as a reaction on the second world war, which was perceived as the end result of a crisis that had been caused by the failure of the traditional, ‘liberal’ economic system. Moreover, there had been a long tradition of extensive ‘involvement of the state’ in eg France and Germany and together with the theoretical framework that had been provided by J.M. Keynes in his ‘The General Theory of Employment, Interest and Money’ (1936), this led to the new concept of the ‘mixed economy’, in which the central paradigm was that only an ‘intervention from the state’ could reinstate the economic demand and reduce the unemployment rate to a ‘socially acceptable’ level. According to the extent of governmental intervention or ‘participation’ in the economy, three variants of the ‘mixed economy’ could be discerned (the ‘neo-collective’, ‘neo-liberal’ and ‘central consultation’ variants) and in each of the post-war (Western) European countries, one of these variants of ‘governmental participation’ was more dominant. However, after WWII, (West) Germany still had the technological knowledge and experience to quickly regain its pre-war position as the dominant economic force in Europe. In response to this ‘problem’, the political leaders of France, Italy, West Germany, Belgium, The Netherlands and Luxembourg founded the European Coal and Steel Community or ECSC, which they hoped would provide a common legal framework for the coal and steel industry (which in itself was the key industry in the post-war rebuilding of the European economy). When the ECSC was founded, all six founding countries produced steel and all but Luxembourg produced coal. However, there were considerable differences in the regional concentration of the coal (and steel) companies and between 1952 and 1968, a (relatively) small geographical area, the so-called ‘industrial triangle’, was responsible for more than 90 % of the total coal production of the ECSC. Moreover, the coal producing companies weren’t equally distributed between the different ECSC countries and the companies differed greatly

in size. Lastly, the coal industries in the six founding countries of the ECSC were characterized by one of the described variants of the 'mixed economy' (which implied a variable degree of 'governmental participation'). All coal producing companies in Italy and France had been nationalized, whilst there were no nationalized companies in Belgium, and in the Netherlands and West Germany, the degree of 'governmental participation' was situated between these two extremes. The overall number of coal producing companies in the ECSC countries (N) has markedly decreased between 1952 and 1968 and by using the so-called 'concentration ratio' ($1/N$), we can conclude that in this 16 year period, the average coal company in the ECSC must have increased in size (and production). In this paper, we have demonstrated that the proportional share of the 10 biggest coal producing companies (and hence the concentration of the coal companies) in the total coal production of the ECSC has indeed increased from 42.4 % in 1952 to 48 % in 1968. However, this increase only reflects the evolution of the coal production for the ECSC as a whole. Therefore, we have also investigated how the (different) degree of 'governmental participation' has influenced the concentration of coal companies in the ECSC countries between 1952 and 1968. In the countries with a high degree of 'governmental participation' (France, Italy and - to a lesser extent - The Netherlands), the three biggest coal companies for each country (which were all 'governmental' companies) were responsible for 80 % or more of the total coal production of that country in both 1952 and 1968. In each of these countries, there were also numerous (very) small companies that were each responsible for a (very) small percentage of the total coal production. However, in the countries with a low degree of 'governmental participation' (Belgium and West Germany), there were much more 'small to medium size' companies, without there being very big or very small companies. Although the proportional share of the three biggest coal companies of Belgium and West Germany in their total coal production has increased from 15 % in 1952 to approximately 30 % in 1968, we thought it less sensible to draw similar conclusions from these data as we did for the ECSC countries with a higher degree of 'governmental participation'. One important reason for this was that even in 1968, the three biggest coal companies of Belgium and West Germany were still only responsible for a (relatively) small % of the total coal production. Moreover, in the period we studied (1952-1968) the size of the coal companies in these two countries has changed much more than in the countries with more 'governmental participation', which means that in the period we studied, the three biggest companies of Belgium and West Germany were not always the same. Therefore, we have analysed the coal industry (and the coal producing companies) in Belgium and West Germany in much more detail, which not only revealed that the total number of coal companies in both countries has markedly decreased between 1952 and 1968, but also that the importance of the 'medium to big size' companies has increased in the same period.

Massimo Pollifroni - ICT and ethics: some empirical evidences from Chandler's lesson.

"The Visible Hand" described how a century ago customers suddenly found goods more plentiful and cheap than they had ever been. The book showed the dramatic impact the railroads had on the modern economy. Although the transition started in the 1840s, its most visible changes occurred between 1880 and 1920. Mass manufacturers of everything from typewriters to canned goods learned to bypass or swallow up the networks of jobbers, factors, merchants, and other independent middlemen who had controlled the flow of commerce throughout history. One of the

fascinating aspects of “The Visible Hand” is the examination of how innovation inside the corporate system.

From the Chandler’s lesson, the paper wants to investigate about the potential correlations between ICT and ethics inside the Public Sector, where the most important components of this model may be divided into two clusters:

- independent variables: the new globalisation of the financial markets, the Information and Communication Technologies (ICT) revolution, a strong ethical model,
- dependent variable: new rules on corporate governance (or corporate governance reforms).

The central part of the paper is dedicated to illustrate these variables.

With reference to the last Italian system, following a Business Administration approach, the final part of the paper aims to discuss the most important connections between ICT and the ethical models.

Andrew Popp – ‘I didn’t get where I am today’: narrating entrepreneurial lives

This paper will confront the challenges of narrating an historical entrepreneurial life. However the paper will not be an exercise in biography, instead it will ask in what ways can we understand the historical life as an un-emplotted, unscripted, lived experience? It will be argued that business history can gain from taking more seriously (or indeed simply noticing) the experiential dimensions of the entrepreneurial life.

Addressing historiographical issues, the paper will nonetheless be based in sound empirical sources and research. Specifically, the paper draws both its method and its motivation from a collection of more than two hundred letters relating to two interrelated families in the first half of the nineteenth-century, both families being owners of businesses. The letters span multiple generations of the two families and cover a period of more than four decades. At the heart of the collection lies the extensive correspondence of John Shaw and his wife Elizabeth (nee Wilkinson) – Shaw being a successful hardware factor based in Wolverhampton. This specific component of the correspondence covers more than two decades, from courtship to middle-age.

The archive is extremely rich in material relevant to core themes in business history (e.g. families, networks and firms; religious faith and enterprise; the structure and operation of the British business system) and amenable to analysis under conventional schema and debates. However, we will seek to be guided in our reading by three dimensions of the letters as both literary form and historical resource: their ‘texture,’ their temporality and their spatiality. By texture we mean to identify such dominant qualities (note, not subjects or themes) as: love, affection, intimacy and tenderness; the quotidian and familiar; circles (not networks); friendship, sentiment and obligation; spontaneity; the intermingling of preoccupations. In relation to temporality we identify such features as: again, spontaneity; the immediate and of the moment; the episodic; the interleaving of dialogue and exchange; the elapse of time, the accretion of memory and alienation from the past; and relatively scant regard for the future or awareness of finitude – a reflexivity that asks not ‘where am I going’ but instead ‘what did I do then, in that time and place?’ The letters narrate constantly from one moment to the next but are not in their totality a narrative of this one life, because they were not written for that purpose. Because both Shaw and his wife were

both frequently away from home for extended periods (though on familiar, repeated circuits) the correspondence also has a strong spatiality – a shared psycho-geography of the English midlands and north existing both on the ground and in memory. Thus, for the historical subject, the entrepreneurial career was made meaningful only in the context of these intimacies and these experiences of the passage of time – it was a meaningfulness that being un-emplotted was always immanent and realized only through the lived moment and thus quite different from analyses of the historian aimed at arriving at the stabilization of understanding. Historical subjects deserve to have these sources of meaning in their lived experience taken seriously by historians – even by business historians.

Thus, the paper responds to the call in so far as it will attempt to operate entirely without reference to the analytical categories at the heart of the Chandlerian (and post-Chandlerian) paradigm, these being constructs unrecognizable to the historical subject.

John Quail - Not quick and not easy: distribution, Chandler, marketing and the development of modern managerial corporations

This paper sets out an alternative view to that of A D Chandler on the way in which marketing contributed to the development of the modern corporation. Chandler's analysis of the growth of the modern firm is, in outline, that a new mass market made possible by the railroad and the telegraph brought mass production into being to serve it making it necessary to integrate mass distribution into the firm because existing market intermediaries could not cope with the required scale, expertise or complexity of operation. The result in turn was that managerial hierarchies were created to administer these newly complex firms which allowed them to grow further.

Essentially the processes whereby administration apparatuses grow and managerial hierarchies develop are seen as a logical and unproblematic response by the firm to the market. The tipping point for these processes is the strategic decision to integrate distribution and sales into manufacturing firms.

This paper dissents from this view in two ways. Firstly, firms in the UK and the US developed large in-house sales organisations in the Nineteenth Century but they appear to have been straight-forwardly manageable under systems of personal capitalism. The development of single machines or products and their in-house sale and service was a distributive problem that required attention and expertise. The administration of the firm might become more complex but not, however, to the extent that anything more than extensions of conventional clerical methods and manpower were required. It did not force delegation of authority and specialist functions into new managerial layers in a way which would bring the firm to the moment of managerial revolution. What did so, this paper asserts, was the radical and more dynamic shifts in prices, demand and products in the interwar years. Secondly, the development of the administration required to deal with this situation was anything but unproblematic. In the interwar years the struggle for new forms of organisation and technique for the giant corporation and the means by which they might be controlled was difficult and drawn out. Within that difficult and drawn out process the necessary integration of functions and the imperatives for firm growth by acquisition were both driven to a considerable degree by marketing considerations. The paper will set this out by reference to marketing and other management literature published in the US and UK in the interwar years.

Jim Quinn and Leigh Sparks- The Reconfiguration of British Grocery Wholesaling 1948 – 1968: Linking Strategy and Structure with Entrepreneurial Behaviour

In the post war era the British grocery sector experienced a period of profound change. This change was driven, in part, by a resurgence in entrepreneurial activity, triggered by a changing macro-environment. The entrepreneurial behaviour observed during the period spawned innovative strategies, novel business formats and new industry and sectoral structures.

Intense sectoral change saw the emergence of new and powerful distribution channels that threatened the role of the traditional wholesaler. In order to survive, British grocery wholesaling had to undertake profound and discontinuous change. This paper provides a description and analysis of these changes. In doing so it examines the ensuing battle for survival that saw the industry consolidate through mergers, acquisitions and exits as wholesalers created a new business model built around voluntary group trading, cash and carry wholesaling and large buying groups. The paper also highlights the role played by entrepreneurial actors at both firm and industry level as they sought to shape the process of change.

Neil Rollings - The national competitiveness/firm competitiveness debate in Britain in the 1960s

Today various league tables of national competitiveness exist and they play an important role in perceptions of the nature of a nation's economy. However, Paul Krugman has famously cautioned against this 'dangerous obsession' of viewing nations like big competing corporations (Krugman, 1994).

However, historians know that concerns with national competitiveness are not new. For example, Tomlinson has shown how in Britain in the 1950s it was related to the growing perception of Britain's relative economic decline. At that time, export competitiveness was one of the key indicators used. Allied to persistent balance of payments crises this perception led government policy from 1945 onwards to focus on the need to increase exports. By the 1960s a third element had strengthened even further the focus on export performance. Nicholas Kaldor became an economic adviser to the 1964-70 Labour government and with that began to stress ideas of export-led growth as a way of improving Britain's economic performance.

Unsurprisingly, this emphasis on exports was having a significant impact on a host of economic policies. In particular, US FDI into Britain was encouraged but there was a strong belief that UK FDI was excessive and that domestic investment needed to be increased. Government economic departments made clear their preference for firms to export rather than to create or acquire a foreign subsidiary and tightened exchange control to encourage this. It has been common to consider such measures as being solely about rectifying the balance of payments but, while this was a key consideration, this outlook was also underpinned by concerns about national economic performance and competitiveness.

In contrast, British firms by the 1960s were developing a very different view of the world. US FDI into Britain (and elsewhere in Europe) was increasingly appreciated to be part of a trend towards the internationalisation of production and the growth of multinational firms. For British firms to be competitive it was imperative for them to

embrace these developments by internationalising themselves, particularly in the growing markets of the US and Western Europe. For such firms exporting was only one of a range of strategies available where many preferred to invest overseas. Accordingly, the constraints on such direct investment, such as exchange control, became the focus of business criticism and discontent: in the eyes of business, firm competitiveness, and thus national competitiveness, was being held back by these constraints on entering or expanding in these markets. By the late 1960s the Foreign Office had come to endorse this view, railing against the 'antediluvian' focus on exports in the government economic departments.

By setting out the development of these two positions, this paper illustrates how the internationalisation of production in the 1960s raised important issues about approaches to national competitiveness and challenged national governments, in this case in Britain, to adapt to this new environment. This tension highlighted different perceptions of competitiveness and ultimately different preferred solutions. Secondly, in relation to this, it shows that the combination of short-term balance of payments concerns and the role of export performance in perceptions of national competitiveness led to an export fetish in government with unintended detrimental consequences for the performance and competitiveness of British firms.

Janette Rutterford - Women investors in the US and UK 1870-1960: A comparative study

The US is a particularly interesting country in which to study the change in the investor population for a number of reasons. First, the period under consideration - 1870 to 1960 - covers the financing of railroads; the rise of trusts, with their wide variety of new types of security; the bull market of the post World War I years; the mass selling of securities in the 1920s; the stock market crash and the post World War II rise in stock market prices. Second, there was a push to enrol both employees and customers as investors post World War I, which had a major impact on the investor population.

One can also compare the US with the UK which had a thriving rentier class, depicted in numerous Trollope, James, Forster and Gissing novels. A Stock Exchange Gazette article claimed to have identified 3.4 million stockholdings but only 425,000 stockholders in 1901. The difference in number of stockholdings and stockholders was explained by the fact that investors held diversified portfolios. By 1949, a Financial Times survey, also allowing for diversified portfolios, estimated the number of stockholders to be 1.25 million. This was a different kind of investor to that in the US. The Financial Times survey described the typical investor as 'Colonel and Mrs Blimp' to be found in retirement in the pleasanter climes of southern, south-western England and North Wales. This type of investor was not the American 'citizen-investor' of the 1920s.

The role of women investors

In both countries, women represented a significant investor group. Single women and widows could own stock directly in their own name and, by the 20th century, married women could also invest in their own names and this, with an increase in the number of businesswomen and women in employment, created a large target potential female investor population. In the US, women were specifically targeted in a number of capacities, as housewives, as employees, and as customers. In the UK, there was no

special targeting of customers or employees. It is therefore of interest to see the relative importance of women investors in the UK and the US given their different experiences of being targeted as potential investors and the different impact of the 1929 crash.

So, the key issue I address in this paper is: What was the importance in the US and UK of women as stockholders in number and value and what types of stock did they buy? Subsidiary questions are:

- How did this change over time and what were the driving forces for change
- What kind of women bought which kind of stock?
- How did women take investment decisions?
- What were the differences between male and female investment choices?
- Were women active or passive investors?

These issues have already been partially addressed in work that I have carried out with Professors Green, Owens and Maltby for the ESRC on Women Investors in England and Wales 1870 to 1930. In this paper I hope to extend the period under analysis and make some initial comparisons between women investors in the UK and US using both quantitative data and personal papers. . This research is part of an ongoing project on women investors in the UK and US.

Benjamin Schwantes - Feuding Siblings-Not Siamese Twins: Railroad Managers, Telegraph Entrepreneurs and Chandlerian Paradigms of Firm Growth in Antebellum America

Alfred D. Chandler's writings on railroads and telegraphy in *The Visible Hand* (1977) and *Scale and Scope* (1990) established a dominant historical paradigm that linked railroad economic and managerial development with the expansion of telegraphy across the United States in the 19th century. This paradigm has strongly influenced more recent scholarly studies of these two antebellum American industries, despite historical evidence that railroad managers and telegraph entrepreneurs did not forge close bonds in the antebellum period. "Feuding Siblings" will dissect the Chandlerian paradigm by presenting a more nuanced and historically rigorous analysis of the complicated and adversarial relationship shared by these two entrepreneurial communities in antebellum America. Samuel Morse constructed America's first public telegraph line along the Baltimore and Ohio Railroad's Washington Branch Line in 1844. When Morse had approached railroad directors with his plans the previous year, B&O officials had begrudgingly allowed Morse to build his telegraph line along the firm's tracks only after he signed a strict contract promising not to interfere with railroad operations or publicly embarrass the company with his new device. Additionally, the firm maintained the right to remove the line should it prove an annoyance or embarrassment. Though Morse's contract with the B&O allowed the railroad firm free use of the telegraph line for business purposes, company managers rarely exercised the privilege following the line's successful completion (Thompson, *Wiring A Continent*, 21-22).

As telegraph entrepreneurs rapidly extended commercial telegraph lines throughout the eastern seaboard and the Mississippi Valley in the late 1840s and 1850s, managers of other railroad firms echoed B&O officials' ambivalence towards telegraphy. Many railroads, including the Pennsylvania Railroad, Illinois Central, and Chicago, Burlington, and Quincy, allowed telegraph entrepreneurs access to their right-of-ways

for line construction. On the other hand, these roads, and the railroad community as a whole, found little use for telegraphy beyond intermittent business communications. Seven years passed after Morse's 1844 commercial demonstration before the first recorded use of telegraphy for actively managing railroad operations occurred. In 1851, Charles Minot, superintendent of the New York and Erie Railroad, personally made use of a commercial telegraph circuit to resolve a traffic jam on the Erie's single-track line. Over the course of the 1850s, a few progressive railroads such as the Pennsylvania and the Michigan Central gradually reached out to the telegraph community for assistance with introducing limited telegraphic dispatching on their trunk lines. Nevertheless, many antebellum railroad managers and officials felt that telegraph entrepreneurs had little to offer the railroad community. Railroad officials viewed telegraphs as nothing more than expensive and unreliable devices suited solely for commercial message traffic. Instead, antebellum railroad managers continued to depend on strictly regimented timetables and primitive distance and time interval methods of train spacing, rather than entrust telegraph operators and dispatchers with authority over train movements. Even railroad managers who maintained some interest in telegraph technology often viewed telegraphy with considerably more than a degree of distrust, despite its potential for greatly reducing the risk of accidents, increasing traffic volume, improving managerial supervision over railroad operations, and generating greater revenues for railroad companies. Only after the telegraph had proved its value during the American Civil War, did railroad officials and telegraph entrepreneurs finally forge enduring bonds that strongly linked both entrepreneurial communities.

Peter Scott - Pushing vacuum cleaners in interwar Britain

The aftermath of the First World War witnessed the rise of a new retail phenomenon on the streets of Britain, the 'speciality' door-to-door salesman, hawking vacuum cleaners and other expensive branded goods. The success of this type of marketing is evident in the very rapid interwar diffusion of vacuum cleaners compared to other 'high ticket' electrical appliances. Yet the door-to-door system incurred both high distribution costs and considerable controversy - on account of widespread sharp practice.

While previous studies have focused on opportunistic behaviour from the consumer's perspective, this paper demonstrates that the armies of salesmen also received very rough treatment from the system, typical 'careers' involving around two and a half months on very low incomes before they were either sacked or forced to quit by poverty and disillusionment. Employers enticed salesmen through grossly inflated claims regarding earnings, while likely commissions were so low that only a very small minority could earn an acceptable living for any length of time. This led many salesmen to engage in their own sharp practices, both through desperation and, often, in a conscious attempt to turn the tables on their employers.

After briefly outlining the development of the vacuum cleaner market and the sales strategies adopted by the major manufacturers, this paper examines the recruitment, training, management, and daily operations of salesmen, primarily drawing on ten autobiographical testimonies. The development of opportunistic practices by salesmen is also reviewed, together with their reputational impact on the sector and the failure of the system to take the market beyond the 'pre-demand' stage of diffusion.

Peter Scott and Anna Spadavecchia - The 1919 reduction of working hours and labour productivity: the British case.

Britain experienced particularly poor economic growth during the 1920s, both relative to other industrial countries and its own long-term growth rate. Some analyses have placed considerable weight on the impact of government concessions to organised labour in the immediate aftermath of the First World War. In particular a number of commentators, following J.A. Dowie, have highlighted the introduction of an eight-hour working day in 1919 (reducing the average working week by an estimated 13 per cent) as a major factor eroding Britain's international competitiveness. For example, Stephen Broadberry has argued – using aggregate time-series data on labour productivity and real wages - that the reduction of hours represented a major 'supply shock' to the British economy.

This paper challenges the established wisdom concerning Britain's economic performance in the 1920s. It first addresses a major factor not taken into account in the above studies – the fact that a substantial reduction in the working week, to around 48 hours for industrial workers, was evident throughout most industrialised countries. This part of the analysis is based on a new international data set on working hours in the years immediately before World War I and during the interwar period for the major industrial countries, which is being compiled from a variety of contemporary sources. The paper then moves on to explore Broadberry's argument that the substantial fall in labour productivity in 1919 and 1920 can be attributed largely to the introduction of the eight-hour day. This analysis will use sectoral time series data on output per shift – measured in terms of volume, rather than value – to examine whether this trend is fully reflected in changes in physical productivity. Data on the magnitude of the reduction of hours in these sectors will also be used to estimate the extent of the productivity offset arising from hourly productivity improvements.

The analysis shows that Britain's 1919 reduction of hours was significantly smaller than that for most of its industrial competitors (which had substantially longer working hours in 1913) – as was appreciated by contemporary British policy makers. Furthermore, the productivity impact of the reduction was at least partially offset by improved output per hour, as less fatigued workers were able to increase the intensity of their work during the shorter working week.

Peter Scott and James Walker - Sales and Advertising Rivalry in US Department Stores during the Interwar Period

Department stores also engaged in much heavier advertising expenditures and costly provision of services in order to draw in large numbers of customers to extensive central stores which were subject to heavy fixed costs. Contemporaries and recent research alike argue that by the 1930s department stores had become locked into a competitive spiral of high advertising and promotional expenditure, plus extensive services provision, in order to meet the challenge of rival department stores (De Grazia, 2005, p. 143; Hyppes, 1937). We set about examining the extent to which these claims are true drawing upon both on qualitative data from the business archives of department stores and detailed establishment or firm-level analysis of operating costs and margins. Unpublished archival materials come from Macys as well as new source material from Higbee Co., a department store in Cleveland, Ohio, and Filenes of Boston. These used sources are examined in conjunction with two sets original

returns from the Harvard Bureau of Business Research (HBBS) department store survey archives. One data source is an unbalanced panel of returns from between 1920 and 1940 and the second being a special twenty year capturing the sales and advertising history 33 firms over the full twenty-year span. We show that the returns to US stores advertising fell over the period. As importantly, own advertising led to a rival advertising that substantially lowered the returns on advertising dollars.

Nina Shapiro - Enterprise Theories and Practices: Chandler's Contributions

Chandler viewed himself as a business historian rather than a theorist, concentrating, as he once put it, on the "practice rather than the theory" of the business enterprise (Chandler, 1992). This was the case in both The Visible Hand (1977) and Scale and Scope (1990), and while he had not "given much thought to precise definitions of the firm," he had "little trouble locating information on literally hundreds of individual enterprises." Neither his historical research on the firm, nor explanation of the "empirical regularities" in its development, had been hampered by the absence of a theoretical conception of the enterprise.

Yet, as Chandler himself notes, the question of the nature of the firm and its function has a great significance in economics, being bound up with the issues of the efficacy and efficiency of markets. Economics must explain why an organization such as the firm is necessary in a market economy, and as Chandler (1992) emphasizes, that theory of the firm must be consistent with its history and practices. It must explain the development and evolution of the modern industrial enterprise and its importance in the growth and transformation of industries and economies.

This paper takes up the question of the historical validity of the firm theories of economics, comparing their perspectives on the firm with those that inform Chandler's work. It is especially concerned with the adequacy of the new transaction cost theories, and argues that their organizational perspective on the firm is quite different than Chandler's own, and that the older managerial theories of firm, and especially those of Eichner (1976) and Galbraith (1967), are more in keeping with the Chandlerian perspective on the firm and account of its history.

John Singleton - A New Window on the Development of the Euromarkets:

Borrowing by the New Zealand Government in the 1960s

International financial markets were transformed in the 1960s by the advent of the Euromarkets. With the imposition of restrictions on external access to the domestic US capital market in 1963, sovereign and corporate borrowers turned increasingly to offshore sources of dollars and, within a few years, DMs and other currencies. For sterling area countries, the attractions of the Euromarkets were enhanced by the tightness of the London capital market and by the growth of measures, both formal and informal, to restrain capital exports from the UK. In seeking to make use of new borrowing opportunities in the Euromarkets, however, sterling area governments, including the government of New Zealand, had first to familiarise themselves with these markets and their main players, and then to select appropriate banking partners. Based on New Zealand Treasury and Reserve Bank archives, the purpose of this paper is threefold: to open a new window on the development of the Euromarkets in the 1960s; to comment on aspects of the final phase of gentlemanly capitalism; and to elucidate the process by which a relatively inexperienced borrower, New Zealand, set about forging new relationships with overseas bankers.

Kevin Tennent - Capitalists and Management: organisational form and Scottish Free Standing Companies

In this paper I intend to look at one of the key questions of interest to historians of international business; that of management style and control and how it can be used to deal with the inherent disadvantage of operations and key personnel being distant from Head Office. A further and related concern to this is the extent to which Scottish or British links or networks in host countries aided these companies in forming their organizational structures. This particular issue is key when analysing the main topic of my thesis; the Scottish Free Standing Company and the extent to which the capitalists sponsoring these firms intervened in the management of them.

I have identified over 100 such companies formed between the years 1862 and 1885 via their registration recordsⁱ and from this population have identified four firms which have left a sufficient paper trail to enable an examination of their management style. This has involved an examination of company reports, minutes, balance sheets, general correspondence including letters and telegrams and in addition some use of surviving press cuttings both from Scotland and the USⁱⁱ. Two of these firms, the Canterbury and Otago Association and the New Zealand and Australia Land Company were formed to invest in land and agriculture in Australia and New Zealand. Of the other two firms the California Redwood Company was established to profit from the lumber industry of the US West Coast, while the Arizona Copper Company represented a classic mining Free Standing Company enterprise in the Arizona desert. Of these firms the two Australasian firms were more successful in the long run despite their financial entanglement with the ill-fated City of Glasgow Bank partly due to a longer run approach which involved the gradual development of a workable business structure involving a clear chain of command and cost control. The two US firms were less successful – the California Redwood Company managed to survive for only two years from 1883 to 1885 before liquidating and being reformed under a different name by its directors – a lifetime and pattern more typical perhaps of the Free-Standing Form although this company was not merely a sham created by promoters. The Arizona Copper Company, founded in 1882 had a similar reconstruction in 1884 but after creating its own trust company for support managed to revive its fortunes, surviving until being purchased by an American firm in 1921. The paper will contrast the experiences of these two firms with the Australasian firms examining how far Scottish capitalists were capable developing business systems suitable to operate such large organisations.

This paper will contribute to the larger debate on Free Standing Companies initiated by Mira Wilkinsⁱⁱⁱ in the late 1980s by looking inside the box to identify how far these firms, which absorbed large funds from the British and other European economies in this period were intended as mere investment club style speculations or as serious enterprises developing added value activities. This is coupled with the theory of the firm and organisational theory as all four of these firms pursued vertical integration or internalisation of related functions in some ways while developing other FSCs or locally registered firms for other related functions. The two US firms here were also mentioned in W. Turrentine Jackson's classic study 'The Enterprising Scot'^{iv} and it is intended to bring a more focused and analytical approach to the stories of these firms than Jackson did to address these wider questions.

Grietjie Verhoef - Managing from the centre: The Role of Sankorp as an investment conglomerate in the reconfiguration of big business in South Africa, 1985 – 2002. How do investment companies affect the structure of big business in a relatively small but open economy? Massive investments by life assurance companies can impact heavily on an economy, especially if it is a relatively open but marginalised economy and the investments represent conglomerates in a small market. In South Africa life assurance companies have extended their influence beyond the life assurance business into other sectors of the economy. Life assurers in South Africa tended to invest heavily in the industrial and financial sectors, leading to increased concentration in those sectors.

SANLAM, the Afrikaner capital life insurer, represented a case in point, but was specifically motivated by Afrikaner nationalism and a desire to extend Afrikaner participation in the South African economy. SANLAM's investments were characterized by indiscriminate acquisitions and eventual underperformance of investments. SANLAM eventually transferred the bulk of those earlier 'portfolio' investments to an investment company (Sankorp) to restore profitability to the underlying assets. This paper investigates the role of the investment company managing from the centre. The management strategy of Sankorp was influential in turning underperforming concerns around and impacted on the business landscape of big business in South Africa. Sankorp introduced management strategies such as succession planning and strategic focus in conglomerates, which required a fundamental restructuring of the businesses. This paper will investigate this refocusing exercise in the operational companies under Sankorp control and assess the impact on the wider South African economy. Although SANLAM was only the fourth largest conglomerate in the South African economy, it was the nature of the underlying assets and not the size, that impacted on the South African economy. The investment behaviour of SANLAM led to the formation of business conglomerates, which underperformed. Sankorp was established as an (SPC (strategic planning company) to correct this – what was the influence of this investment engineering on the South African economy? Was Sankorp a typical SPC? Can Sankorp be described as an innovative enterprise, in the sense than Lazonick described the 'innovative enterprise'? Sankorp as a social organization as well as an investment company is the focus of the analysis. The paper will assess the role of management in the investment company in conglomerate restructuring and overall in the South African economy in a period of relative isolation.

Ilja Viktorov - At the End of the Golden Age: the Swedish and British Employer Organizations under the Crisis of Mass Production. 1970s-1980s

Since the early 1970s Western Europe has witnessed a period of economic crisis that was followed by a crisis of the postwar institutional order which continued until the early 1990s. The industrial relations system was not an exception. In Sweden during the 1970s – 1980s, there was a dramatic change from a model of national-wide collective bargaining towards decentralisation of wage formation that was initiated by Swedish employers. Compared to Sweden, Great Britain has never been characterised by a formalised system of collective bargaining at a national level. Despite this fact, the developments in the British industrial relations were even more dramatic than in Sweden. A turbulent period of industrial conflict of the 1970s was followed by the Thatcherist offensive which changed the character of the British industrial relations.

However, the British employers and their organizations did not become a leading force behind this transformation.

The overall purpose of the project is to compare the policies of the British and Swedish employer organizations during the 1970s – 1980s viewed as a period of the crisis of Fordism. The main employer organizations in focus are the Confederation of British Industries and the Swedish Employers' Association (SAF). The theory of Fordism and its crisis developed by the regulation school will underpin the research methodology of the project.

The following research questions will be examined:

1. What role did the British and Swedish employer organizations play in the collapse of collective bargaining in their countries during the 1970s and 1980s?
2. What strategies did the employer organizations apply towards the question of industrial and economic democracy in Britain and Sweden?
3. How did the employer organizations relate to economic policy pursued by the Thatcher governments and the Swedish 'Third Way' pursued by the Swedish social democrats in the 1980s?
4. What were the main differences between the strategies of the British and Swedish employer organizations aimed at solving the problems posed by the crisis of the old Fordist institutional order during the 1970s and 1980s?

The project will be based on unpublished documents from both British and Swedish archives. The main archive in Sweden is the Swedish Employers' Association Archive that is located at the Centre for Entrepreneurial History (Centrum för Näringslivshistoria) in Stockholm. An equally important part of the research project will consist of investigations at the Confederation of British Industry Archive that is located at the Modern Records Centre in the University of Warwick Library.

Maggie Walsh - Consuming Cars: Women, Advertising and American Automobile Sales

Alfred D. Chandler Jr effectively used the transport sector to illustrate the dynamics of growth and maturity in American business organisations. His early discussion of railroads was critical to the rise of big business in the late nineteenth century America and turned historians' attention from counterfactual model-building and patterns of economic growth to the internal structure of firms. His later discussion of General Motors emphasised the move to managerial capitalism in the twentieth century. Many historians have correctly praised the work of Chandler in raising the profile of business history and giving it a systematic framework of analysis. Fewer historians have remarked on the impersonality of his work and its lack of connections with the socio-economic environment in which business flourished.

This paper examines a specific aspect of business history, which is 'missing from Chandler'. It looks at the consumption of automobiles in the United States rather than the production of these vehicles and focuses on the relationship between women and the consumption of cars. There is a remarkable dearth of published research on women's use of automobiles. In part this is a result of the paucity of historical records concerning individual patterns of mobility. The rapid increase in cars on American roads, particularly in the years after the Second World War has created an abundance of users who have not documented their personal mobility. Even those who have left memoirs, diaries or advice manuals may not be typical or representative drivers and owners.

There is, however, a wealth of iconography and some literature about advertising automobiles in archival sources and in journals. These pictures and their accompanying texts can offer insights into how manufacturers viewed the female audience, when they came to recognise women as important purchasers of cars as well as consumers of automobility and can suggest how women were influenced by the messages embedded in the advertisements. The cultural approach to understanding car sales in the United States should be underpinned by concerns to examine how and why the vehicle ceased to be regarded as a masculine technology. Understanding car advertisements and their appeal to women is an essential part of the culture of American automobility.

Chris Wrigley – Planning for Decline

An international phenomenon of recent decades has been the management of industrial decline and closure. There has been in some countries and for some industries advance planning to lessen the shock to communities of shutdown and attempts to utilise some of the buildings and machinery as heritage, ie tourist attractions and educational sites. The international dimension has been brought out well in a major exhibition of industrial photographs by Christoph Lingg of abandoned mines, foundries, coking plants, factories and drilling derricks in Poland, east Germany, Romania, Russia, Mongolia and China. (Stillgelegt: Industrieruinen im Osten. Shutdown: Industrial Ruins in Eastern Europe and the Far East. Leopold Museum, Vienna, 30 November 2007- 7 January 2008). In this paper the focus is not on the communist east but the British mining industry, and in particular Coalville, Leicestershire.

This paper examines the planning for mining decline which was began in the early 1980s, so ahead of the 1984-85 strike. The presumptions included claims that maintaining a pit as heritage would benefit the mining community. In practice, in Britain and elsewhere the local communities were often hostile. For instance, in the case of Le Creusot the local people were so hostile that politicians garnered votes by promising to rip down the industrial archaeology and clear the site. As a result a notable industrial heritage site was destroyed. In the case of Snibston, Coalville, there was much local hostility and even more apathy. The situation improved as management of the complex realised the need for greater public consultation, a broadening of what was on display and some success in turning it into a community resource as well as a regional tourist attraction. By the turn of the century Conservative threats at county hall to close Snibston led to a popular local campaign to save it, a considerable turn-around in perceptions of it.

The Snibston project, like similar mining museums elsewhere, intended providing some employment for ex-miners, but apart from some guides, this was a mirage. The skills needed were different and pay was dramatically inferior. Options nearby were not much better: industrial estates or NHS work. The management of such sites has required a broadening of attractions (to appeal to families) and an ability to offer different or to outdo rivals. In the case of Snibston, these included Conkers (also based on mining decline), Twycross Zoo, Cromford Mill and other industrial revolution sites in the Belper area, Crich Tramway Museum and various National Trust and similar properties. While the impressive Staffs mining museum failed, in spite of impressive resources, effective management and viable finances have seen Snibston, the Wakefield and others survive so far.

ⁱ See the National Archives of Scotland (NAS) BT2 collection of registration files for companies registered with Company House, Edinburgh, for 1856-present.

ⁱⁱ See NAS Collection GD435 for the New Zealand and Australia Land Co. and the Canterbury and Otago Association; and NAS Collections GD282/13/154 for the Arizona Copper Company and GD282/13/123 for the California Redwood Company.

ⁱⁱⁱ M. Wilkins, 'The free-standing company, 1870-1914: an important type of British foreign direct investment', *Economic History Review* 2nd series, vol. XLI, issue 2 (1988), pp. 259 – 282.

^{iv} W. Turrentine Jackson, *The Enterprising Scot* (Edinburgh, 1968).