

# **Teaching Plan: Economic and Business History**

## **1. Details concerning the subject**

Name of the subject: Economic and Business History

Academic year: 2014-2015

Year: Second

Period: First and second quarters

Degree: IBE

Code: 21121

Number of ECTS credits: 9

Hours of student dedication: 225

Language: English

Professor: Anna Solé

## **2. Introduction to the subject**

This course is an introductory course to World Economic History and Business History that covers the main stages of modern economic growth.

The main objectives of the Economic History part of the course are:

- To provide a framework of the most relevant facts and economic processes;
- To identify the main stages of economic history;
- To study the political and institutional framework and understand its role in the economic performance;
- To identify the factors of economic growth in the long term;
- To relate economic theory with past and present facts.

With regard to the Business History part of the course, the main purpose is to investigate the influence of historical context on firms and entrepreneurial actions, to analyze the transformation of the internal structure of companies in the long run and to study the consequences of their strategies on economic growth. In that part of the course the following contents will be discussed:

- the dynamics of continuity and discontinuity that affect entrepreneurial choices from a comparative and dynamic perspective;

- the impact of variables like space, time, culture, and technology on companies' shapes;
- the role played by national systems in providing opportunities and putting constraints on entrepreneurs and enterprises';
- the identification and management of crucial phases in the growth and development path of companies in the long run.

### 3. Competencies the subject aims to teach

General competencies	Specific competencies
<b>Instrumental competencies</b> 1. Ability to analyse and synthesize 2. Basic general knowledge 3. Ability to search for relevant data in different sources.	1. Ability to explain and classify chronologically the main facts of the World Economic History  2. Capability to understand graphs and tables and place them historically
<b>Structural competencies</b> 4. Application of theoretical knowledge to real situations 5. Investigation capability 6. Ability to learn 7. Ability to work autonomously 8. Skill to flexibly and creatively apply knowledge and adapt it to new contexts and situations 9. Knowledge of other nations' cultures	3. Capacity to understand interactions and differences between short term and long term analysis  4. Knowledge and critical interpretation of the transformations of companies' shapes and entrepreneurial activities from a historical perspective
<b>Interpersonal competencies</b> 10. Critical skills 11. Ability to work as part of a team	5. Ability to set the configuration and behaviour of companies in their proper context  6. Skill to identify the crucial elements of a problem
<b>Other competencies</b> 12. Skill in using an oral and written technical language	7. Ability to take a multidisciplinary view of problems management and resolution  8. Plan and effectively manage time and activities

### 4. Contents

#### First term:

Introduction. Economic and Business History: long term approach and methodological aspects

#### Lesson 1. Organic Economies

- 1.1. The limit to economic growth in organic economies: diminishing returns.
- 1.2. Ancient demographic model.

- 1.3. The dynamics of the feudal system.
- 1.4. Trade revolution.
- 1.5. Diversification and modernization of economies: the beginnings of the capitalist economy.

#### Lesson 2. Rural firms, trade, finances and manufacturing in the preindustrial age.

- 2.1. Trade and finances in the preindustrial age: functioning of markets and new financial instruments.
- 2.2. Changes in the organization of manufacturing activity: guilds, putting-out system and centralized production.
- 2.3. Technology and organization of industrial activity.

#### Lesson 3. The Industrial Revolution

- 3.1. The factors of the Industrial Revolution.
- 3.2. Technological change and productivity.
- 3.3. Economic growth during the First Industrial Revolution.
- 3.4. Social consequences: the debate about living conditions.

#### Lesson 4. The company during the First Industrial Revolution

- 4.1. Why the factory?
- 4.2. Entrepreneurs during the First Industrial Revolution.
- 4.3. Characteristics of firms during the First Industrial Revolution.
- 4.4. Changes in commercial activities.

#### Lesson 5. The First Globalization.

- 5.1. The diffusion of the Industrial Revolution.
- 5.2. Increase in international trade and international movements of factors.
- 5.3. The international monetary system: the gold standard system.

#### Lesson 6. The company during the Second Industrial Revolution

- 6.1. Technological change and large scale production.
- 6.2. The birth of the large industrial company.
- 6.3. Scientific organization of production.
- 6.4. Innovations in distribution.
- 6.5. New financial instruments.
- 6.6. Separation between ownership and control of firms .
- 6.7. Oligopolistic strategies.

### **Second term:**

#### Lesson 7. The First World War and the interwar crisis.

- 7.1. Monetary problems after the First World War: the German hyperinflation and the return to the Gold Standard system.
- 7.2. Unbalanced economic growth during the 1920's.
- 7.3. The crack of 1929 and the Great Depression.
- 7.4. The debate about the causes of the Great Depression.
- 7.5. The way out the Depression.

#### Lesson 8. Heterogeneous experiences between World War I and World War II

- 8.1. Changes in the organization of American firms: from the U-form to the M-form.
- 8.2. Management capitalism.
- 8.3. Changes in the European markets: characteristics of European firms.
- 8.4. The Japanese zaibatsu.
- 8.5. Alternatives to the large firm.

#### Lesson 9. The Golden Age of capitalism

- 9.1. The Bretton Woods System.
- 9.2. Factors of growth during the Golden Age. Economic convergence.
- 9.3. Economic growth and structural change.
- 9.4. The role of the State and the Keynesian policies.

#### Lesson 10. From the Golden Age to the crisis of the large industrial corporation

- 10.1. The Third Industrial Revolution.
- 10.2. The emergence of large multinationals.
- 10.3. USA: The emergence of conglomerates.
- 10.4. Soviet Union: Large firms in a planned economy.
- 10.5. Japan: From the zaibatsu to the keiretsu.
- 10.6. Europe: heterogeneous experiences.
- 10.7. Industrialization strategies in peripheral countries.

#### Lesson 11. From the crisis of the 1970's to the financial crisis of 2008.

- 11.1. The end of expansion.
- 11.2. The economic policy dilemma: Keynesianism vs. Monetarism.
- 11.3. The Washington consensus and the emergence of neoliberalism.
- 11.4. The Second Globalization.
- 11.5. Speculative bubbles and the financial crisis of 2008.

#### Lesson 12. From managerial capitalism to entrepreneurial capitalism

- 12.1. The Third Industrial Revolution and communications revolution.
- 12.2. Technological uncertainty and market fragmentation.
- 12.3. Flexible production.
- 12.4. Reduction in the production scale and outsourcing.
- 12.5. Coexistence of several models of firm organization.

## 5. Evaluation

The evaluation of each of the terms of the subject will be embedded in a process of continuous testing of the contents and capabilities gained by students.

To this purpose, the subject's evaluation is based on the following four points:

- The student's active participation in both lectures and seminars. Every class will begin or end with an oral or written revision of the class, or of the previous class, through which the students will be quickly questioned on its contents. The results of these examinations will represent 15% of the final mark.

- A team work, which will represent 15% of the final mark.
- A test based in the contents of the first half of the term, which will represent a 10% of the final mark.
- A final exam. It will last two hours, will include all the course contents and will represent 60% of the final mark. A minimum mark of 4 out of 10 is required to pass the subject.

Class attendance is mandatory, both in seminars and lectures. An absence can only be justified because of medical reasons.

Those students who fail the final exam will have the opportunity of doing a retake exam (60% of the final grade), with the condition of having obtained a minimum mark of 4 in the continuous evaluation. The activities of the continuous assessment (seminars) can only be retaken in the case of a justified Medical absence. In all the other cases they cannot be retaken. In order to prepare the retaking exam, there will be preparatory classes (not mandatory) to help the student to prepare the retaking exam.

The two terms of Economic and Business History refer to one single annual course. So the final mark of the course will come from the arithmetical mean of the two final marks, conditional on getting a minimum mark of 4 on each. If the student obtains a grade below 4 in the first term he/she will have to do the retaking exam that will take place at the beginning of the second term and pass it in order to be able to take the course during the second term. In case of obtaining a grade below 4 in the second term, the student will have to do the retaking exam that will take place during the third term. If the arithmetical mean of the grades of the two terms is lower than 5 or the grade or one of the terms is lower than 4 (in the retaking exam), the student will have to repeat the whole course (the two terms).

## 6. References and teaching resources

### Basic readings (selected chapters):

Franco Amatori and Andrea Colli, *Business History: Complexities and Comparisons*, Routledge, New York, 2011.

Cameron, Rondo E., *A Concise economic history of the world : from Paleolithic times to the present*, Oxford University Press, New York, 2003.

B. Eichengreen, *Globalizing capital : a history of the international monetary system*, Princeton University Press, Princeton, 1996.

J. Foreman-Peck, *A History of the world economy : international economic relations since 1850*. Wheatsheaf Books, Brighton, 1983.

A. G. Kenwood & A. L. Lougheed, *The Growth of the international economy, 1820-1980 : an introductory text*. George Allen & Unwin, London, 1983.

V. Zamagni, *Historia Económica de la Europa Contemporánea*, Crítica, (Barcelona 2010)

A. Maddison, *The World economy : a millennial perspective*, Paris : OECD, 2001.

Bulmer-Thomas, V., *The Economic history of Latin America since independence*. Cambridge University Press, Cambridge, 1994

Comín, Francisco. 2011. *Historia económica mundial :De los orígenes a la actualidad*. Madrid: Alianza.

Other references:

J. De Vries, *The Industrious revolution : consumer behavior and the household economy, 1650 to the present*, Cambridge University Press, New York, 2008

N. Ferguson, *The Ascent of money : a financial history of the world*, Penguin Press, New York, 2008.

D. Held et al, *Global transformations : politics, economics and culture*, Polity Press, Oxford, 1999.

C. P. Kindleberger, *A Financial history of western Europe*,: Oxford University Press, New York, 1993.

A. Di Vittorio (editor), *An Economic history of Europe : from expansion to development*, Routledge, London, 2006.

Kevin H. O'Rourke y Jeffrey G. Williamson, *Globalization and history : the evolution of a nineteenth-century Atlantic economy*, The MIT Press, Cambridge, 1999.

Enrique Ibañez Rojo. "El debate sobre la Gran Divergencia y las bases institucionales del desarrollo económico" *Investigaciones de historia económica: revista de la Asociación Española de Historia Económica*, ISSN 1698-6989, Nº. 7, 2007 , págs. 133-162

Landes, David, *The Wealth and poverty of nations : why some are so rich and some so poor*, Little, Brown & Co., etc., London, 1998.

Cipolla, Carlo (2003), *Historia Económica de la Europa preindustrial*, Icaria, Barcelona. (Capítulo 3, "Productividad y producción", pp. 121-140).

William J. Baumol, Robert E. Litan, and Carl J. Schramm, *Good Capitalism, Bad Capitalism, and the Economics of Growth and Prosperity*, Yale University Press, New Heaven, 2007.

Francesca Carnevali, *Europe's Advantage: Banks and Small Firms in Britain, France, Germany, and Italy since 1918*, Oxford U.P., Oxford-New York, 2005.

Asli M. Colpan, Takashi Hikino, and James R. Lincoln (editors), *The Oxford Handbook of Business Groups*, Oxford University Press, Oxford, 2010.

Mansel G. Blackford, *The Rise of Modern Business in Great Britain, the United States, and Japan*, Chapel Hill, 1998.

Alfred D. Chandler Jr., *Strategy and Structure. Chapter in the History of American Industrial Enterprise*, MIT Press, Cambridge, Massachussets, 1962.

Alfred D. Chandler Jr., *The visible hand*, Cambridge, Mass. and London, England: The Belknap Press

of Harvard University Press, 1977.

Alfred D. Chandler Jr., *Scale and Scope*, Cambridge, MA. The Belknap Press of Harvard University Press, 1990.

Alfred D. Chandler Jr., “The Competitive Performance of U.S. Industrial Enterprises since the Second World War”, in “Business History Review”, no. 68, Spring 1994, pp. 1-71, 1994.

Alfred D. Chandler Jr., Franco Amatori, and Takashi Hikino (editors), *Big Business and the Wealth of Nations*, Cambridge U.P., Cambridge, Massachusetts, 1997.

Barry Eichengreen, *The European Economy since 1945. Coordinated Capitalism and Beyond*, Princeton U.P., Princeton, 2007.

Carmen Erro (editor), *Historia Empresarial. Pasado, presente y retos de futuro*, Ariel, Barcelona, 2003.

Robert F. Freeman, *The Struggle for Control of the Modern Corporation: Organizational Change, at General Motors, 1924-1970*, Cambridge U.P., Cambridge (Massachusetts), 2001.

Geoffrey Jones, *Multinationals and Global Capitalism: From the Nineteenth to Twenty-First Century*, Oxford University Press, Oxford, 2005.

Geoffrey Jones and Jonathan Zeitlin (editors), *The Oxford Handbook of Business History*, Oxford U.P., New York, 2008.

David Landes, *The Unbound Prometheus: Technological Change and Industrial Development in Western Europe from 1750 to the Present*, Cambridge University Press, Cambridge, Massachusetts, 1969.

Tom McCraw (editor), *Creating Modern Capitalism*, Harvard University Press, Cambridge, Massachusetts, 1997.

John Micklethwait and Adrian Wooldridge, *The Company. A short history of a revolutionary idea*, The Modern Library, New York, 2003.

Joel Mokyr, *The Enlightened Economy. An Economic History of Britain, 1700-1850*, Yale U.P., London, 2010.

Michael J. Piore and Charles F. Sabel, *La Segunda Ruptura Industrial*, Alianza, Madrid, 1990.

Jan Luiten Van Zanden, *The Long Road to the Industrial Revolution: the European Economy in a Global Perspective, 1000-1800*, Brill Academic Publishers, Leiden, 2009.

Jesús María Valdaliso and Santiago López, *Historia Económica de la Empresa*, Crítica, Barcelona, 2009.

#### Teaching resources:

Veronica Binda, “Entre el Estado y las multinacionales: la empresa industrial española en los años de la integración a la CEE”, in “Revista de Historia Industrial”, vol. 28, 2005.

Albert Carreras and Xavier Tafunell, “La gran empresa en España (1917-1974): una primera aproximación”, in “Revista de Historia Industrial”, vol. 3, 1993.

Avner Greif, “Teoría de juegos e historia de la empresa”, in “Información Comercial Española”, no. 812, 2004, pp. 9-26.

Mercedes Tatjer, “La industria en Barcelona (1832-1992). Factores de localización y cambio en las áreas fabriles: del centro histórico a la región metropolitana”, in “Scripta Nova. Revista Electrónica de geografía y ciencias sociales”, vol. X, no. 218, 2006.

Jesús M. Valdaliso and Santiago López, “¿Sirve para algo la historia empresarial?”, in Carmen Erro (editor), *Historia Empresarial. Pasado, Presente y Retos de Futuro*, Ariel, Barcelona, 2003, pp. 37-56.

Movie "Wall Street" (1987).

Other supplementary material will be available on “Aula Global”.

## **7. Methodology**

Students are required to do the following activities every week:

- reading and thinking on the teaching resources before the class;
- attending all the lectures and seminars;
- asking questions of the professor during classes;
- answering the professor’s questions during lectures and seminars;
- submitting abstracts, papers and/or team works as requested.

On her side, the professor will:

- present the key contents and concepts during the lectures;
- answer students’ questions;
- evaluate the understanding and learning of the teaching resources, randomly asking students in every lecture;
- coordinate the discussion during seminars.



## 8. Schedule of activities

### First term

Week	Class activity	Individual activity
1	Session 1 (25/9). Lecture: Introduction Session 2 (26/9). Lecture: Lesson 1	Reading of the teaching resources Individual study
2	Session 3 (2/10). Lecture: Lesson 1 Session 4 (3/10). Lecture: Lesson 2	Reading of the teaching resources Individual study
3	Session 5 (8/10). Seminar 1 Session 6 (9/10). Lecture: Lesson 2 Session 7 (10/10). Lecture: Lesson 3	Reading of the teaching resources Individual study Preparation for the seminar discussion
4	Session 8 (15/10). Seminar 2 Session 9 (16/10). Lecture: Lesson 3 Session 10 (17/10). Lecture: Lesson 4	Reading of the teaching resources Individual study Preparation for the seminar discussion
5	Session 11 (22/10). Seminar 3 Session 12 (23/10). Test	Reading of the teaching resources Individual study Preparation for the seminar discussion Preparation for the test
6	Session 13 (29/10). Seminar 4 Session 14 (30/10). Lecture: Lesson 4 Session 15 (31/10). Lecture: Lesson 5	Reading of the teaching resources Individual study Preparation for the seminar discussion
7	Session 16 (5/11). Seminar 5 Session 17 (6/11). Lecture: Lesson 5	Reading of the teaching resources Individual study Preparation for the seminar discussion
8	Session 18 (12/11). Seminar 6 Session 19 (13/11). Lecture: Lesson 5 Session 20 (14/11). Lecture: Lesson 6	Reading of the teaching resources Individual study Preparation for the seminar discussion
9	Session 21 (20/11). Lecture: Lesson 6	Reading of the teaching resources Individual study
10	Session 22 (27/11). Lecture: Lesson 6	Reading of the teaching resources Individual study

### Second term:

Week	Class activity	Individual activity
1	Session 1 (8/1). Lecture: Lesson 7 Session 2 (9/1). Lecture: Lesson 7	Reading of the teaching resources Individual study
2	Session 3 (15/1). Lecture: Lesson 7 Session 4 (16/1). Lecture: Lesson 8	Reading of the teaching resources Individual study
3	Session 5 (20/1). Seminar 1 Session 6 (22/1). Lecture: Lesson 8 Session 7 (23/1). Lecture: Lesson 9	Reading of the teaching resources Individual study Preparation for the seminar discussion
4	Session 8 (27/1). Seminar 2 Session 9 (29/1). Lecture: Lesson 9	Reading of the teaching resources Individual study

	Session 10 (30/1). Lecture: Lesson 9	Preparation for the seminar discussion
5	Session 11 (3/2). Seminar 3 Session 12 (6/2). Test	Reading of the teaching resources Individual study Preparation for the seminar discussion Preparation for the test
6	Session 13 (10/2). Seminar 4 Session 14 (12/2). Lecture: Lesson 10 Session 15 (13/2). Lecture: Lesson 10	Reading of the teaching resources Individual study Preparation for the seminar discussion
7	Session 16 (17/2). Seminar 5 Session 17 (20/2). Lecture: Lesson 11	Reading of the teaching resources Individual study Preparation for the seminar discussion
8	Session 18 (24/2). Seminar 6 Session 19 (26/2). Lecture: Lesson 11 Session 20 (27/2). Lecture: Lesson 11	Reading of the teaching resources Individual study Preparation for the seminar discussion
9	Session 21 (6/3). Lecture: Lesson 12	Reading of the teaching resources Individual study
10	Session 22 (13/3). Lecture: Lesson 12	Reading of the teaching resources Individual study

On the web “Aula Global”, students will find a detailed description of the contents of every lecture and seminar.