



SELF PROGRAM 2023/2024

History of the Multinational Corporation

Prof. Trevor J. Kallimani

Course information

Number of credits: 6 credits

Contact hours: 30 hours

Hours taught per week: 2,5

Teaching period: spring semester 2023/2024

Course description:

Few institutional forms are more ubiquitous in our day and age than the multinational corporation. Billions of people around the world either work for a multinational, subsidiary, or a supplier of a multinational corporation. They produce virtually everything we consume; the food we eat, the clothes we wear, the music we listen to, the cars we drive, and the information we use to make vital decisions about our political and social lives. Some have an annual turnover larger than a small to midsize country; ExxonMobil's annual revenue would place it in the top 40 countries (in terms of GDP) in the entire world, just to cite one example. As of 2023 Facebook had roughly 3 billion users worldwide, and this is at a time when the company is increasingly fighting the perception that they are passé!

Despite importance of these institutions in the 21st century, the field of history has a bit of a blind spot when it comes to corporations. This is not to say that the subject has never been treated, but rather that the importance of corporations in world history has, to a certain extent, been obscured by the dominance of national histories over the last century and a half.

This course will take a multinational comparative approach to the subject. We will follow a rough chronological progression, with key inflection points being highlighted through several historical corporate case studies (see the calendar below). It is hoped that the course will have something to offer to students of business management and law, as well as students of economics and history.

Course objectives:

As stated above, the importance of the corporation in world history has often been obscured by the focus on the nation-state and the geopolitical tensions between those nation-states.

This course aims to fill that gap by looking at corporations from their humble beginnings in the ancient world, through the age of early colonial empire, the industrial revolution of the 19th century, and right through to the modern age of Facebook and Twitter.

By using historical analysis, the course aims to encourage students to identify certain basic characteristics, and behavioural patterns of multinational corporations and from there to begin teasing out questions about their proper place in modern society.

If this course were a national history, my task as the professor would have been much easier. National histories have dominated the field for much of the 20th century. For United States history, for example, professors have dozens of textbooks to choose from, including some very comprehensive online textbooks sponsored by major American universities. These publications generally present the consensus view on the subject, presenting any controversial areas with the requisite caution and even-handedness. There is no comparable consensus concerning the historical development of corporations. Therefore, one aim of this course is to encourage undergraduate students of history to pursue postgraduate research in a field that offers many opportunities for fresh analysis.

Prerequisites:

Basic knowledge of world history and business law would be helpful, but not required.

Assessment:

Students will be assessed through two written exams and a group presentation. The presentation will be a chance for students to explore topics that do not fit perfectly with the central themes of the course lectures and readings.

- Participation/Attendance: 10%
- Final Exam: 35%
- Midterm Exam: 35%
- Group Presentation: 20%

Attendance:

In order to participate, students must be present. Nevertheless, a maximum of 2 (two) unexcused absences will be allowed; otherwise no mark will be given.

An unexcused absence at a test (final test or continuous assessment) means no credits for the course.

Bibliography:

Required:

As mentioned above, finding a single volume, comprehensive history of multi-national corporations is extremely difficult. With that in mind, it must be said that the two main books for this course display serious shortcomings which should be highlighted before students begin their reading.

Their weaknesses stem largely from the objectives of the writers, both of whom are writing from the perspective of public-policy advocates rather than academic historians. This is possibly most obvious in John Micklethwait and Adrian Wooldridge's *The Company: A Short History of a Revolutionary Idea*, which as the title suggests often reads as if executives of Exxon or Facebook had written it themselves. That said, the authors do manage to make some interesting points, despite their bias, and if nothing else the book will no doubt stimulate many interesting classroom discussions.

Furthermore, it is hoped that the bias in *The Company* will be partially balanced by the opposing bias exhibited by our second required book *For Profit: A History of Corporations*, by William Magnuson. Magnuson is a professor of corporate law, and while he does not write like a cheerleader for MNC's, his central argument, that the *raison d'être* of the corporation is to "promote the common good of the nation," is controversial to say the least; especially when talking about *Multinational* corporations.

Both books have the merit of accurately identifying and describing the key trends in the development of the modern corporation, from the Roman *publicani* up to our present time. Neither book ignores the bad behaviour of corporations, even if their analysis of that behaviour is debatable, and both are written with an entertaining narrative style. They also have impressive bibliographies that can be mined for further research:

Magnuson, William. *For Profit: A History of Corporations*. Basic Books, 2022.

Micklethwait, John and Adrian Wooldridge. *The Company: A Short History of a Revolutionary Idea*. The Modern Library, 2003.

Recommended:

If comprehensive histories on multi-national corporations are lacking, there is no lack when it comes to in-depth case studies and historical monographs. Below is a selection of some of the works that will be referenced in the course. Of note are several works either written or edited by Harvard professor Alfred Chandler. Whether one agrees with his theories or not, the impact of his work on the field of corporate and economic history is undebatable. One notable work, which explicitly challenges some of Chandler's basic conclusions is Stanford historian Richard White's *Railroaded* (see below for full reference). Extracts from both authors' works are included on the reading calendar :

Barrow, Ian. *The East India Company, 1600–1858: A Short History with Documents*. Hackett Publishing Company, 2017.

Bown, Stephen R. *Merchant Kings: When Companies Ruled the World, 1600-1900*. Douglas and McIntyre, 2009.

Chandler, Alfred. *The Visible Hand: The Managerial Revolution in American Business*. Harvard University Press, 1962.

Chandler, Alfred. *Scale and Scope: The Dynamics of Industrial Capitalism*. Harvard University Press, 1990.

Chandler, Alfred and Bruce Mazlish, editors. *Leviathans: Multinational Corporations and the New Global History*. Cambridge University Press, 2005.

Dalrymple, William. *The Anarchy: The Relentless Rise of the East India Company*. Bloomsbury Publishing, 2019.

Eacott, Jonathon. *Selling Empire: India in the Making of Britain and America, 1600-1830*. The University of North Carolina Press, 2016.

Fichter, James R. *So Great a Proffit: How the East Indies Trade Transformed Anglo-American Capitalism*. Harvard University Press, 2010.

Hilt, Eric. "Democratizing Incorporation: Law and the Industrial Enterprise in Massachusetts, 1830-1880." NBER Working Paper. Cambridge, MA: National Bureau of Economic Research, 2008.

McLean, Bethany and Peter Elkind. *The Smartest Guys in the Room: The Amazing Rise and Scandalous Fall of Enron*. Portfolio Trade, 2003.

Sandage, Scott A. *Born Losers: A History of Failure in America*. Harvard University Press, 2005.

Sellers, Charles. *The Market Revolution: Jacksonian America, 1815-1846*. Oxford University Press, 1991.

White, Richard. *Railroaded: The Transcontinentals and the Making of Modern America*. Norton, 2013.

Course Calendar

What follows is a preliminary version of the lecture and reading calendar. Changes may be made during the semester.

Week	Course Content	Reading
1.	Introduction to the Course Lecture: <ul style="list-style-type: none">• Introduction to the course• Defining multi-national corporations• The legal structure and status of corporations: governance, limited liability, and the corporate veil	<ul style="list-style-type: none">• <i>For Profit</i>, Introduction• <i>The Company</i>, Introduction• <i>Leviathans</i>, "A Primer on Multinational Corporations"
2.	Lecture: <ul style="list-style-type: none">• Precursors: Roman publicans and Florentine bankers	<ul style="list-style-type: none">• <i>For Profit</i>, Chapters 1 and 2
3.	Lecture: <ul style="list-style-type: none">• The Joint Stock Company: How England and Holland Outsourced Empire-Building	<ul style="list-style-type: none">• <i>For Profit</i>, Chapter 3• <i>The Company</i>, Chapter 2<ul style="list-style-type: none">○ Suggested additional Reading:○ <i>Defiance of the Patriots: The Boston Tea Party and the Making of America</i>○ <i>The East India Company, 1600-1858: A Short History with Documents</i>
4.	Lecture: <ul style="list-style-type: none">• The Joint Stock Company: How one of the world's first mega multi-national companies sparked the American Revolution and became the imperial government of India.	<ul style="list-style-type: none">○ <i>Selling Empire: India and the Making of Britain and America</i>○ <i>The Anarchy: The Relentless Rise of the East India Company</i>

5.	Lecture: <ul style="list-style-type: none"> England and the United States: <ul style="list-style-type: none"> The Nationalization of the EIC 	<ul style="list-style-type: none"> <i>The East India Company, 1600-1858: A Short History with Documents</i>, Chapter 3
6.	Lecture: <ul style="list-style-type: none"> Business culture in the United States and England Corporations under the United States Constitution and General Incorporation Laws in the United States Transit Companies 	<ul style="list-style-type: none"> <i>The Company</i>, Chapter 3
7.	Lecture: <ul style="list-style-type: none"> The Rise of Big Business, (1860-1914): A Comparative Perspective <ul style="list-style-type: none"> The United States, Great Britain, Germany, and Japan Case Study: The Transcontinental Railroad The Great Merger Movement, (1895-1904) 	<ul style="list-style-type: none"> <i>The Company</i>, Chapters 4 and 5 <i>Leviathans</i>, Chapter 4 <i>Railroaded</i>, Introduction
8.	Lecture: <ul style="list-style-type: none"> The Rise of Big Business: <ul style="list-style-type: none"> “Managerial” Corporations Monopolies and Banana Republics 	<ul style="list-style-type: none"> <i>Railroaded</i>, Chapter 6, “Men in Octopus Suits”
9.	Lecture: The Multinational: <ul style="list-style-type: none"> Case Study: Exxon Corporate raiders of the 80’s 	<ul style="list-style-type: none"> <i>For Profit</i>, Chapters 6 and 7
10.	Lecture: Startups and Dotcoms <ul style="list-style-type: none"> Case Study: Enron 	<ul style="list-style-type: none"> <i>The Smartest Guys in the Room</i> (Documentary)
11.	Review and Debate	<ul style="list-style-type: none"> <i>The Company</i>, Chapter 8
12.	Final Exam	<ul style="list-style-type: none"> Review for Exam