

- i. **Course title:** Hitchhiker's Guide to Business and Economies across Five Centuries
- ii. **Area to which the course belongs:** Economics
- iii. **Term in which the course is to be offered:** Term 5
- iv. **Instructors' name:** Prof. Chinmay Tumble
- v. **Course credits:** 1 [20 Sessions]
- vi. **Course Open for:** PGP only

	PGP-FABM	PGPX	FPM
# of students			

**vii. Introduction:**

The past five centuries have been momentous in the world of business and commerce. In 1500, the centre of gravity of world business was firmly located between the Indian Ocean World and the Mediterranean Basin. Over the next five hundred years, the locus shifted to Western Europe and North America. Why and how did this happen? Who were the key actors behind these changes? What type of firms and business practices emerged across the world? This course addresses these questions and enables one to understand the evolution of firms, industries and economies over the long run.

Understanding seismic shifts of the past broadens the horizon of the management professional and provides skills to better understand the future.

The course is divided in four parts. Part 1 provides overviews of three global revolutions- scientific, imperial and industrial – that gave birth to the modern world and its interconnections with business and economic history. Part 2 reviews key actors in global business history. Part 3 highlights the origins of business practices by considering the histories of specific firms and sectors. Against the backdrop of the global revolutions, key actors and business practices, Part 4 traces the business and economic histories of regions across the world in comparative perspective.

Part 1: Global Revolutions, 1500-2000:

Introduction, The Scientific Revolution, The Imperial Revolution, The Industrial Revolution

Part 2: People:

Merchants, Entrepreneurs, Managers, Labourers, Women

Part 3: Firms and Business Practices:

The Joint Stock Firm (English East India Company), Modern Management (Railroad Companies), Mass Production & Marketing (Ford and General Motors), Big Business- Mergers & Acquisitions, Modern Finance (Lehman Brothers)

Part 4: Regions:

US, UK, Germany & Japan; China and India; Russia and Europe; Africa and the Middle East; Latin America, East Asia and Rest of the World

**viii. Objective:**

- To understand the evolution of modern business and economies in global perspective
- To comprehend the global revolutions, actors, business practices and regional business and economic histories across five centuries

**viii. Pedagogy:**

The course will be taught through interactive sessions with class room discussions, group exercises and presentations. Cases, scholarly articles, background reading notes, adapted card games and visual media will be used in the course.

**ix. Evaluation Scheme:**

The break-up of the evaluation scheme is as follows:

Class Participation: 16%, Assignment: 42%, Group Presentations (2): 42%

Assignment will be based on aspects of business and economic history related with either individuals, firms, industries or regions.

Group presentations will be linked with Part 2 and Part 4 of the course.

**x. Course Books/Reference Materials:**

Outlined in the session plan below. There is no text-book for this course.

**Pre-requisites & Eligibility:**

There is no pre-requisite for this course. A passion for history would be a bonus.

**Relationship to other courses:**

Standalone course.

## Session Plan

### **Part 1: Global Revolutions [1500-2000]**

#### **Session 1: Introduction**

- What is History?
- Objectivity and Subjectivity in History
- Periodization in History
- “The Great Divergence” in Economic History

*Group exercise involving an adapted version of Timeline, a card game.*

#### **Session 2: The Scientific Revolution**

- Scientific Dogma, Scientists and Scientific Disciplines
- Significance of the 18<sup>th</sup> century Enlightenment Period
- Innovation, Science, Technology and Economic Growth

*Reading:*

“The Discovery of Ignorance”, Chapter 14, Pages 275-306, of Harari, Y. N. 2011. *Sapiens: A Brief History of Humankind*. London: Vintage Books.

“The Contribution of Economic History to the Study of Innovation and Technical Change: 1750-1914” by Joel Mokyr in B. H. Halland and N. Rosenberg, *Handbook of the Economics of Innovation, Vol. 1*, pp. 11-50, Burlington, Academic Press.

#### **Session 3: The Imperial Revolution**

- Why Europe?
- The Mentality of Conquest
- Mapping the World
- Imperialism and Economic Systems

*Reading:*

“The Marriage of Science and Empire”, Chapter 15, Pages 307-340, of Harari, Y. N. 2011. *Sapiens: A Brief History of Humankind*. London: Vintage Books.

*Group exercise involving world maps.*

#### **Session 4: The Industrial Revolution**

- Why Britain?
- The Impact of the Steam Engine
- Coal and Textile Sectors
- The Second and Third Industrial Revolution

*Video: The Industrial Revolution*. BBC Documentary. 58 Minutes. URL:

[https://www.youtube.com/watch?v=JhF\\_zVrZ3RQ](https://www.youtube.com/watch?v=JhF_zVrZ3RQ)

*Reading:*

Pages 71-98 of Amatori, F and Colli, A. 2011. *Business History: Complexities and Comparisons*. Routledge.

## **Part 2: People**

### **Session 5: Merchants**

- Merchants and trading networks in the Mediterranean Basin, Indian Ocean & Atlantic Worlds
- Merchant Communities across the world
- Forms of Credit, Exchange and Law in the pre and post-Industrial Era

*Reading: Background Reading Notes provided by the instructor to read before the class.*

*Group Presentation [10 Minutes]: Comparing five merchant biographies across centuries/countries.*

#### **Recommended Reading for the Presenting Group:**

Books by Lakshmi Subramanian “Three Merchants of Bombay”, Ashin Das Gupta “The World of the Indian Ocean Merchant, 1500-1800”, Avner Greif “Institutions and the Path to the Modern Economy: Lessons from Medieval Trade”, among others provide rich account of merchants and trading systems in different context.

### **Session 6: Entrepreneurs**

- Who is an entrepreneur?
- Social background of entrepreneurs
- Factors driving entrepreneurial success and failures

*Reading: Background Reading Notes provided by the instructor to read before the class.*

*Group Presentation [10 Minutes]: Comparing five entrepreneurs across centuries/countries.*

#### **Recommended Reading for the Presenting Group:**

Books by Thomas McCraw (on America), Gita Piramal and Vir Sanghvi (on India), Niall Ferguson and Youssef Cassis (on Europe).

### **Sessions 7: Managers**

- The rise of managerial capitalism
- The rise of business education, history of HBS and IIMA

*Reading:*

Alfred D. Chandler, Jr., “The Emergence of Managerial Capitalism”, *Business History Review* 58, no. 4 (Winter 1984): 473-503.

Chapter 24 “Business Education” [20 pages] in *The Oxford Handbook of Business History*, edited by Geoffrey Jones and Jonathan Zeitlin, 2008.

Chapter 12 “Business Education and the Rise of a Managerial Class”, pp. 205-215, from Tripathi, Dwijendra & Juman, Jyoti. 2013. *The Oxford History of Contemporary Indian Business*. New Delhi: Oxford University Press.

*Group Presentation [10 Minutes]: Comparing five leading managers in five different countries in the 20<sup>th</sup> century.*

## **Session 8: Labourers**

- Slaves, Indentured Labourers, Contract Labourers, Unionized Labourers
- The Rise of Trade Unions
- Labour Welfare in the 20<sup>th</sup> Century

*Reading: Background Reading Notes provided by the instructor to read before the class.*

*Group Presentation [10 Minutes]: Comparing five different types of forms of labour across centuries/countries.*

### Recommended Reading for the Presenting Group:

Books by David Northrup (on indentured labour), Eric Hobsbawm (on Europe), Tirthankar Roy (on India), and the online resource – [www.slavevoyages.org](http://www.slavevoyages.org) – on the slave trade.

## **Session 9: Women**

- Female Labour Supply & Demand across regions and time
- Women's work in firms
- Women Entrepreneurs

*Reading: Background Reading Notes provided by the instructor to read before the class.*

*Group Presentation [10 Minutes]: Comparing five female personalities in business history.*

### Recommended Reading for the Presenting Group:

Boserup, E. 1970. *Woman's Role in Economic Development*. London: George Allen & Unwin.

### **Part 3: Firms and Business Practices**

#### **Session 10: The Joint Stock Firm: The English East India Company**

- The origin and evolution of the joint stock firm
- The English East India Company

##### *Readings*

Selected chapters from Micklethwait, J. and Wooldridge, A. 2003. *The Company: A Short History of a Revolutionary Idea*. Random House Publishing Group.

Chapter 1 “Introduction” of Roy, Tirthankar. 2012. *The East India Company: The World’s Most Powerful Corporation*. New Delhi: Penguin Allen Unwin.

#### **Session 11: Modern Management: The Railroad Companies**

- Business Administration
- Accounting
- Human Resource Management
- Unitary-form (U) and Multi-Divisional-form (M) Firms

##### *Reading*

HBS Case on “The Railroads and the Beginnings of Modern Management” by Alfred D. Chandler Jr., 1995. Provides three extracts written in 1855, 1874 and 1885.

“The Multidivisional Corporation and Managerial Capitalism”, pages 101-111, in Amatori, F and Colli, A. 2011. *Business History: Complexities and Comparisons*. Routledge.

#### **Session 12: Mass Production and Mass Marketing: Ford and General Motors**

- Automation processes in factories
- The Retail Revolution

##### *Reading*

“Henry Ford, Alfred Sloan and the Three Phases of Marketing” by T. McCraw and R. Tedlow, in McCraw, T. ed. 1995. *Creating Modern Capitalism: How Entrepreneurs, Companies and Countries Triumphed in Three Industrial Revolutions*. Harvard University Press.

#### **Session 13: Big Business- Mergers and Acquisitions**

- Big Business across the three Industrial Revolutions
- Big Business in US, Western Europe and Japan
- Big Business in India
- Mergers and Acquisitions
- Multinationals

##### *Readings*

Chapter 8 “Big Business” by Youssef Cassis in *The Oxford Handbook of Business History*, edited by Geoffrey Jones and Jonathan Zeitlin, 2008.

Selected chapters from Tripathi, Dwijendra & Juman, Jyoti. 2007. *The Concise Oxford History of Indian Business*. New Delhi: Oxford University Press.

#### **Session 14: Modern Finance: Lehman Brothers and Investment Banking**

- The evolution of investment banking
- The life, death, rebirth and re-death of Lehman Brothers
- Finance and Economic Development

#### *Readings*

HBS Case on “Lehman Brothers” by Tom Nichols and David Chen in 2010 and HBS Background Note on “History of Investment Banking” by Ashish Nanda, Thomas J DeLong and Lynn V Roy in 2002.

## **Part 4: Regions**

Placed against the backdrop of discussions in the first three modules of this course, this five-session module discusses the following issues by comparing regional business histories

- Timeline of Economic Development
- Colonial legacy on the business landscape
- The Business Landscape: Types of firms, Number of joint stock firms, Number of listed firms, Types of corporate ownership, Iconic Firms and Business Leaders
- The role of the family in business
- The role of business communities
- Big Business vs. Small Business
- Business and the State
- Multinational Activity

*Group Presentation [15 Minutes]:* In each session, one group will present an outline of regional business and economic histories addressing the above points, followed by half an hour of discussion and concluded by the instructor's presentation on the regions.

### **Session 15: US, UK, Germany and Japan**

Recommended Background Reading for the Presenting Group: McCraw, T. ed. 1995. *Creating Modern Capitalism: How Entrepreneurs, Companies and Countries Triumphed in Three Industrial Revolutions*. Harvard University Press. [The book focuses on the four countries].

### **Session 16: China and India**

Recommended Background Reading for the Presenting Group: Kudaisya, Medha & Ng Chin-keong. 2009. *Chinese and Indian Business: Historical Antecedents*. Leiden: Brill.

### **Session 17: Russia and Europe**

Recommended Background Reading for the Presenting Group: Amatori, F and Colli, A. 2011. *Business History: Complexities and Comparisons*. Routledge.

### **Session 18: Africa and the Middle East**

Recommended Background Reading for the Presenting Group: Research work of Gareth Austin "Labour, Land and Capital in Ghana" and Timur Kuran "The Long Divergence".

### **Session 19: Latin America, East Asia and Rest of the World**

Recommended Background Reading for the Presenting Group: Research work of Andrea Lluch and Geoffrey Jones "Impact of Globalization on Argentina and Chile" and Austin and Sugihara "Labour-Intensive Industrialization in Global History"

### **Session 20: Conclusion**

- Review of course contents
- Discussion of assignments completed by participants

*Group exercise involving world maps, Fortune 500 List and an adapted version of Timeline, a card game, as conducted in the first session.*



### **Useful readings for the motivated student**

#### **Global scale**

McCraw, T. ed. 1995. *Creating Modern Capitalism: How Entrepreneurs, Companies and Countries Triumphed in Three Industrial Revolutions*. Harvard University Press.

Beckert, S. 2014. *Empire of Cotton: A Global History*. New York: Vintage Books.

Ferguson, N. 2008. *The Ascent of Money: A Financial History of the World*. London: Penguin [Also available as a 4-part documentary series on YouTube].

Amatori, F and Colli, A. 2011. *Business History: Complexities and Comparisons*. Routledge.

Jones, G and Zeitlin, J. Eds. 2008. *The Oxford Handbook of Business History*. Oxford University Press.

Lockard, Craig. 2008. *Societies, Networks and Transitions: A Global History*. [Useful textbook orientation on mainly social and political history]

#### **On India**

Tripathi, Dwijendra & Juman, Jyoti. 2007. *The Concise Oxford History of Indian Business*. New Delhi: Oxford University Press.

Roy, Tirthankar. 2010. *Company of Kinsmen: Enterprise and Community in South Asian History, 1700-1940*. New Delhi: Oxford University Press.

Books published in Penguin India's Series on 'Story of Indian Business.'

Detailed reading list is provided in the 'Business History' course outline, offered to FPM/doctoral students.

**And of course, *The Hitchhikers Guide to the Galaxy* by Douglas Adams to understand the course title and evaluation weightages.**