

University of Western Ontario
Department of History
2013-2014

Introduction to the History of Business
History 1803E

Instructor: Dr. Jeffery Vacante
Email: jvacant2@uwo.ca
Office hours: Tues. 1:30-3:30
in Lawson Hall 2218

Lectures: Tues & Thurs. 12:30-1:30
in HSB35
and one tutorial hour

The financial crisis of 2008 has spurred considerable popular interest in the often complex workings of the market. In the first few weeks of this course we will explore the details of this crisis. We will then use this crisis as a gateway to study the larger history of finance, credit, stock markets, corporations, and business. In short, this course is both a practical introduction to how the market functions today as well as a consideration of the history of capitalism.

In this course students will, in addition to learning the broad outline of the history of business, sharpen their ability to read and think critically, develop their analytical skills, learn to organize and present their thoughts in the form of academic essays, and practice the art of expressing their ideas in tutorials in such a manner that demonstrates their respect for the opinions of others as well as their own critical engagement with the course readings and the world around them.

Texts:

- Bethany McLean and Joe Nocera. *All the Devils are Here: The Hidden History of the Financial Crisis* (New York: Portfolio/Penguin, 2011).
- Justin Fox. *The Myth of the Rational Market: A History of Risk, Reward, and Delusion on Wall Street* (New York: HarperCollins, 2011).
- Niall Ferguson. *The Ascent of Money: A Financial History of the World* (New York: Penguin 2008).
- John Micklethwait and Adrian Wooldridge. *The Company: A Short History of a Revolutionary Idea* (New York: Modern Library, 2003).

These books, which are available at the university bookstore, will be supplemented by articles and other readings to be made available on the course website.

Grade Breakdown

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|----------------------|-----|
| First Exam (Oct. 10) | 10% |
| First Essay | 15% |
| Second Exam (Feb. 6) | 10% |
| Second Essay | 20% |
| Tutorials | 15% |
| Final Exam (Apr.) | 30% |

Assignments:

First Essay: In the first essay (10 pages) students will review Steve Coll, *Private Empire: ExxonMobil and American Power* (New York: Penguin, 2013). This book explores the inner workings of one of the world's largest and most powerful corporations. It also examines the manner in which this company influences American political life, as well as the manner in which it projects power overseas. So great is the apparent power and influence of ExxonMobil that some observers have been moved to suggest that this private company is effectively its own state.

In this essay, you are to review this book. What this means is that you are to provide an overview of the book's contents as well as a consideration of Coll's argument. But the essay is to be much more than a discussion of the contents of this one book. Rather, this one book should serve as the entry-point for a larger discussion of the history of the corporation, the manner in which corporations exercise power, and the manner in which corporations should function within a democratic state. The essay is to have an argument, be well-written, provide sound analysis, follow proper scholarly conventions (including citation style: Chicago Style footnotes; bibliography; cover page), and *draw upon at least five other sources*. An obvious place to start when attempting to come to terms with the larger history of the corporation would be Micklethwait and Wooldridge's *The Company*. The essay is due in tutorial the week of **November 11**. An identical copy of the essay must be submitted to **turnitin** through the course web page. Essays submitted after the due date will be subject to a late penalty of five percent the first day and one percent for every day thereafter (including weekends).

Second Essay: In the second essay (10 pages) students will review Naomi Klein's book *The Shock Doctrine: The Rise of Disaster Capitalism* (New York: Vintage, 2008). This book examines the manner in which capitalism has spread around the world. There has been a general trend in the last couple of decades toward so-called free-market capitalism. Klein suggests that these market reforms have often taken place against the wishes of local inhabitants, and in very many instances have followed natural disasters or political upheavals in those countries. Western institutions and intellectuals seize upon crises, Klein suggests, imposing market-based reforms as the solution to whatever crisis had arisen. This process has been underway for some time, but it has perhaps become even more pronounced since the end of the Cold War. As well, the Financial Crisis of 2008 has, according to some observers, provided just the type of political and economic upheaval that Klein suggests sets the stage for the shock of austerity and free-market reforms. The book has been criticised for being unsubtle and for spinning conspiracy theories. While it might be unsubtle, it is not putting forward a conspiracy theory. Rather, it offers a provocative analysis that prompts one to perhaps think about capitalism in a new light, and to think about what is going on the world in a more critical way.

Your task in this essay is to review Klein's book. But, as was the case with your first essay, you are expected to do much more than simply summarize its contents. You should consider the larger thrust of the argument, including what Klein has to say about the nature of capitalism itself, and what she thinks about how market values are spread, whose interests these values serve, and how compatible these values are with democratic society. You should also consider Klein's argument in light of the European economic crisis and what is going on in such places as Greece. The essay is to have an argument, be well-written, provide sound analysis, follow proper scholarly conventions (including citation style: Chicago style footnotes;

bibliography; cover page), and *draw upon at least five other sources*. The essay is due in tutorial the week of **March 10**. An identical copy of the essay must be submitted to **turnitin** through the course web page. Essays submitted after the due date will be subject to a late penalty of five percent the first day and one percent for every day thereafter (including weekends).

Please note:

“All required papers may be subject to submission for textual similarity review to the commercial plagiarism detection software under license to the University for the detection of plagiarism. All papers submitted will be included as source documents in the reference database for the purpose of detecting plagiarism of papers subsequently submitted to the system. Use of the service is subject to the licensing agreement, currently between The University of Western Ontario and Turnitin.com (<http://www.turnitin.com>).

Participation: Students will also be assessed on their **participation** during weekly tutorials. During these tutorials, students will discuss in some detail the assigned readings and will be encouraged to grapple with the larger themes of the course. Students will be assessed on their attendance throughout the year as well as on the basis of their familiarity with the readings and their ability to discuss the broader themes of the course. It should be noted that the quality of one’s remarks are very often more valuable than the quantity of one’s interventions in a discussion. A student’s ability to consider and respect the ideas and opinions of others will also be recognized. ***Please note: tutorials begin the week of September 16.***

Exams: There will be **two in-class exams** in the course, one on **October 10** and the other on **February 6**. There will also be a **final exam** during the formal exam period in April.

Lectures:

Sept. 10-12 • Introduction

Deconstructing the Financial Crisis

Sept. 17-19 • The Meltdown

• McLean and Nocera, *All the Devils are Here*, 1-81.

Sept. 24-26 • The Causes

• McLean and Nocera, *All the Devils are Here*, 82-231.

Oct. 1-3 • The Fallout

• McLean and Nocera, *All the Devils are Here*, 232-371.

Oct. 8-10 • Exam

The Origins of Modern Capitalism

Oct. 15-17 • The Beginnings of a Market Economy

• Ferguson, *The Ascent of Money*, 1-41.

Oct. 22-24 • The Market Economy I
• Ferguson, *The Ascent of Money*, 42-176.

Oct. 29 • The Market Economy II
• Ferguson, *The Ascent of Money*, 177-363.

Nov. 5-7 • The Idea of Capitalism
• Micklethwait, *The Company*, 1-36
• Robert Heilbroner, “The Wonderful World of Adam Smith,” in *The Worldly Philosophers* (New York, 1999): 42-74.

The Modern Corporation

Nov. 12-14 • The Modern Corporation
• Micklethwait, *The Company*, 37-54.
• Alfred D. Chandler, Jr., “The Beginnings of ‘Big Business’ in American Industry,” *Business History Review* 33, no. 1 (Spring 1959): 1-31.

Nov. 19-21 • The Rise of Big Business
• Micklethwait, *The Company*, 57-99.
• Alfred D. Chandler, Jr., “The Emergence of Managerial Capitalism,” *Business History Review* 58, no. 4 (Winter 1984): 473-503.

Nov. 26-28 • Advertising/Retail Revolution
• T.J. Jackson Lears, “The Rise of American Advertising,” *The Wilson Quarterly* 7, no. 5 (Winter 1983): 156-67.

Dec. 3-5 • Conclusion to first semester

December Break

Capitalism and its Discontents

Jan. 7-9 • Capitalism and its Critics
• Robert Heilbroner, “The Inexorable System of Karl Marx,” in *The Worldly Philosophers* (New York, 1999): 136-70.

Jan. 14-16 • Corporate Liberalism
• Kim McQuaid, “Corporate Liberalism in the American Business Community, 1920-1940,” *Business History Review* 52, no. 3 (Autumn 1978): 342-68.

Jan. 21-23 • The Culture of the Corporation
• Micklethwait, *The Company*, 103-121.
• Roland Marchand, “The Corporation Nobody Knew: Bruce Barton, Alfred Sloan, and the Founding of the General Motors Family,” *Business History Review* 65, no. 4 (Winter 1991): 825-75.

Jan. 28-30 • The Corporate Man

- William H. Whyte, *The Organization Man*, (1956), 3-24, 36-66, 143-52.
- David Riesman, *The Lonely Crowd* (1950), 3-25.
- Herbert Marcuse, *One Dimensional Man* (1964) selections

Feb. 4-6 • Exam

The Postwar Economy

Feb. 11-13 • The Great Depression

- Fox, *The Myth of the Rational Market*, 3-44.

Reading Week: Feb. 17-21

Feb. 25-27 • The Postwar Economic System

- Micklethwait, *The Company*, 125-157.
- Fox, *The Myth of the Rational Market*, 47-170.

Mar. 4-6 • The Collapse of the Postwar System

- Fox, *The Myth of the Rational Market*, 175-210.

Mar. 11-13 • The Globalization of Business

- Micklethwait, *The Company*, 161-191.

Mar. 18-20 • Finance Capitalism

- Fox, *The Myth of the Rational Market*, 191-321.

Mar. 25-27 • Working in the New Economy

- Bruce Western and Jake Rosenfeld, “Workers of the World Divide,” *Foreign Affairs* 91, no. 3 (May/June 2012): 88-99.

Apr. 1-3 • Capitalism in an Age of Austerity

Apr. 8 • Conclusion

SUPPORT SERVICES

Students who are in emotional/mental distress should refer to Mental Health@Western <http://www.uwo.ca/uwocom/mentalhealth/> for a complete list of options about how to obtain help.

Please contact the course instructor if you require material in an alternate format or if you require any other arrangements to make this course more accessible to you. You may also wish to contact Services for Students with Disabilities (SSD) at 661-2111 x 82147 for any specific question regarding an accommodation.

THE UNIVERSITY OF WESTERN ONTARIO FACULTY OF SOCIAL SCIENCE

PLAGIARISM

Students must write their essays and assignments in their own words. Whenever students take an idea, or a passage from another author, they must acknowledge their debt both by using quotation marks where appropriate and by proper referencing such as footnotes or citations. Plagiarism is a major academic offense (see Scholastic Offence Policy in the Western Academic Calendar).

All required papers may be subject to submission for textual similarity review to the commercial plagiarism detection software under license to the University for the detection of plagiarism. All papers submitted will be included as source documents in the reference database for the purpose of detecting plagiarism of papers subsequently submitted to the system. Use of the service is subject to the licensing agreement, currently between The University of Western Ontario and Turnitin.com (<http://www.turnitin.com>).

The following rules pertain to the acknowledgements necessary in academic papers.

A. In using another writer's words, you must both place the words in quotation marks and acknowledge that the words are those of another writer.

You are plagiarizing if you use a sequence of words, a sentence or a paragraph taken from other writers without acknowledging them to be theirs. Acknowledgement is indicated either by (1) mentioning the author and work from which the words are borrowed in the text of your paper; or by (2) placing a footnote number at the end of the quotation in your text, and including a correspondingly numbered footnote at the bottom of the page (or in a separate reference section at the end of your essay). This footnote should indicate author, title of the work, place and date of Publication and page number. Method (2) given above is usually preferable for academic essays because it provides the reader with more information about your sources and leaves your text uncluttered with parenthetical and tangential references. In either case words taken from another author must be enclosed in quotation marks or set off from your text by single spacing and indentation in such a way that they cannot be mistaken for your own words. Note that you cannot avoid indicating quotation simply by changing a word or phrase in a sentence or paragraph which is not your own.

B. In adopting other writer's ideas, you must acknowledge that they are theirs.

You are plagiarizing if you adopt, summarize, or paraphrase other writers' trains of argument, ideas or sequences of ideas without acknowledging their authorship according to the method of acknowledgement given in 'A' above. Since the words are your own, they need not be enclosed in quotation marks. Be certain, however, that the words you use are entirely your own; where you must use words or phrases from your source; these should be enclosed in quotation marks, as in 'A' above.

Clearly, it is possible for you to formulate arguments or ideas independently of another writer who has expounded the same ideas, and whom you have not read. Where you got your ideas is the important consideration here. Do not be afraid to present an argument or idea without acknowledgement to another writer, if you have arrived at it entirely independently. Acknowledge it if you have derived it from a source outside your own thinking on the subject.

In short, use of acknowledgements and, when necessary, quotation marks is necessary to distinguish clearly between what is yours and what is not. Since the rules have been explained to you, if you fail to make this distinction, your instructor very likely will do so for you, and they will be forced to regard your omission as intentional literary theft. Plagiarism is a serious offence which may result in a student's receiving an 'F' in a course or, in extreme cases, in their suspension from the University.

MEDICAL ACCOMMODATION

The University recognizes that a student's ability to meet his/her academic responsibilities may, on occasion, be impaired by medical illness. Please go to https://studentservices.uwo.ca/secure/medical_accommodations_link_for_OOR.pdf to read about the University's policy on medical accommodation. Please go to <http://www.uwo.ca/univsec/handbook/appeals/medicalform.pdf> to download the necessary form. In the event of illness, you should contact Academic Counselling as soon as possible. The Academic Counsellors will determine, in consultation with the student, whether or not accommodation is warranted. They will subsequently contact the instructors in the relevant courses about the accommodation. Once a decision has been made about accommodation, the student should contact his/her instructors to determine a new due date for term tests, assignments, and exams.

If you have any further questions or concerns please contact, Rebecca Dashford, Undergraduate Program Advisor, Department of History, 519-661-2111 x84962 or rdashfo@uwo.ca