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ECO 303Y1: Economic History of Modern Europe to 1914

Topic No. 8 [16]: Entrepreneurship in 19th-Century European Industrialization: France and Germany, 1840-1914

A. GENERAL: a comparison of French, German, and British industrialization in the 19th century (1815 -1914)

- * 1. Patrick K. O'Brien, 'Path Dependency: Or Why Britain Became an Industrialized and Urbanized Economy Long Before France', The Economic History Review, 2nd ser., 49:2 (May 1996), 213-49.
- * 2. Rondo Cameron, 'Was England Really Superior to France?', Journal of Economic History, 46:4 (Dec. 1986), 1031-39.
- * 3. Nicholas Crafts, 'Economic Growth in France and Britain, 1830-1910: Review of the Evidence', Journal of Economic History, 44:1 (March 1984), 49-68.
- 4. N.F.R. Crafts, 'Macroeconomic Growth, and 'Industrial Revolution' in Britain and France', and David S. Landes, 'Some Further Thoughts on Accident in History: A Reply to Professor Crafts', The Economic History Review, 2nd ser., 48:3 (August 1995), 591-601.
- 5. Janice Rye Kinghorn and John Vincent Nye, 'The Scale of Production in Western Economic Development: A Comparison of Official Industry Statistics in the United States, Britain, France, and Germany, 1905-1913', Journal of Economic History, 56:1 (March 1996), 90-112.
- * 6. Charles Kindleberger, Economic Growth in France and Britain, 1851-1950 (Cambridge, Mass., 1964), chapter 6, 'Entrepreneurship', pp. 113-34.
- * 7. Harmut Berghoff and Roland Möller, 'Tired Pioneers and Dynamic Newcomers? A Comparative Essay on English and German Entrepreneurial History, 1870 - 1914', Economic History Review, 2nd ser., 47:2 (May 1994), 262-87.
- * 8. Hubert Kiesewetter, 'Competition for Wealth and Power: The Growing Rivalry between Industrial Britain and Industrial Germany, 1815 - 1914', Journal of European Economic History, 20 (Fall 1991), 271 - 299.
- * 9. Charles P. Kindleberger, Economic Response: Comparative Studies in Trade, Finance, and Growth (Cambridge, Mass., 1978), Chapter 7, 'Germany's Overtaking of England, 1806 to 1914', pp. 185-236.
- * 10. David Landes, 'The Structure of Enterprise in the Nineteenth Century: Great Britain and Germany', in David Landes, ed., The Rise of Capitalism (New York, 1966), pp. 99-110.

- * 11. Alexander Gerschenkron, 'Social Attitudes, Entrepreneurship, and Economic Development', in his Economic Backwardness in Historical Perspective (New York, 1962), pp. 52-71.
- 12. David F. Good, 'Backwardness and the Role of Banking in 19th-Century European Industrialization', Journal of Economic History, 33 (1973), 845-50.

B. FRANCE: Entrepreneurship and Industrialization, 1840 - 1914:

- **1. David Landes, 'French Entrepreneurship and Industrial Growth in the Nineteenth Century', Journal of Economic History, 9 (1949), reprinted in Barry Supple, ed., The Experience of Economic Growth: Case Studies in Economic Growth (New York, 1963), pp. 340 - 53. The classic study sparking the debate.
- **2. Michel Hau, 'Entrepreneurship in France', in David S. Landes, Joel Mokyr, and William J. Baumol, The Invention of Enterprise: Entrepreneurship from Ancient Mesopotamia to Modern Times, Kauffman Foundation Series on Innovation and Entrepreneurship (Princeton and Oxford: Princeton University Press, 2010), pp. 305-30.
- * 3. Charles Kindleberger, Economic Growth in France and Britain, 1851-1950 (Cambridge, Mass., 1964), chapter 6, 'Entrepreneurship', pp. 113-34.
- * 4. Claude Fohlen, 'Entrepreneurship and Management in France in the Nineteenth Century', in Peter Mathias, ed., Cambridge Economic History of Europe, Vol. VII:1 (Cambridge, 1978), pp. 347-81.
- * 5. James Foreman-Peck, Elisa Boccaletti, Tom Nicholas, 'Entrepreneurs and Business Performance in Nineteenth-Century France', European Review of Economic History, 2:3 (December 1998), 235-62.
- * 6. John Vincent Nye, 'Firm Size and Economic Backwardness: A New Look at the French Industrialization Debate', Journal of Economic History, 47:3 (Sept. 1987), 649-70.
- * 7. Pierre Sicsic, 'Establishment Size and Economies of Scale in 19th-Century France', Explorations in Economic History, 31:4 (October 1994), 453-78.
- * 8. Janice Rye Kinghorn and John Vincent Nye, 'The Scale of Production in Western Economic Development: A Comparison of Official Industry Statistics in the United States, Britain, France, and Germany, 1905-1913', Journal of Economic History, 56:1 (March 1996), 90-112.
- * 9. Ulrich Doraszelski, 'Measuring Returns to Scale in Nineteenth-Century French Industry', Explorations in Economic History, 41:3 (July 2004), 256-81.
- *10. Robert Aldrich, 'Late Comer or Early Starter? New Views on French Economic History', Journal of European Economic History, 16 (Spring 1987), 89 - 100.
- *11. François Crouzet, 'The Historiography of French Economic Growth in the Nineteenth Century', The Economic History Review, 2nd ser., 56:2 (May 2003), 215-42.
- 12. Richard Roehl, 'French Industrialization: A Reconsideration', Explorations in Economic History, 13

(1976), 233-81.

13. Robert Locke, 'French Industrialization: The Roehl Thesis Re-considered', Explorations in Economic History, 18 (1981), 415-35.
14. Rondo Cameron, 'Banking in France, 1800-1870', in Rondo Cameron, ed., Banking in the Early Stages of Industrialization (1967), pp. 100 - 28.
15. Christian Morrisson and Wayne Snyder, 'The Income Inequality of France in Historical Perspective', European Review of Economic History, 4:1 (April 2000), 59-84.
- *16. Michael Stephen Smith, The Emergence of Modern Business Enterprise in France, 1800-1930 (Cambridge, MA: Harvard University Press, 2005).

C. GERMANY: Entrepreneurship and Industrialization, 1840 - 1914:

- **1. Ulrich Wengenroth, 'History of Entrepreneurship: Germany after 1815', in David S. Landes, Joel Mokyr, and William J. Baumol, The Invention of Enterprise: Entrepreneurship from Ancient Mesopotamia to Modern Times, Kauffman Foundation Series on Innovation and Entrepreneurship (Princeton and Oxford: Princeton University Press, 2010), pp. 273-304.
- * 2. David Landes, 'The Structure of Enterprise in the Nineteenth Century: Great Britain and Germany', in David Landes, ed., The Rise of Capitalism (New York, 1966), pp. 99-110.
- * 3. Charles P. Kindleberger, Economic Response: Comparative Studies in Trade, Finance, and Growth (Cambridge, Mass., 1978), Chapter 7, 'Germany's Overtaking of England, 1806 to 1914', pp. 185-236.
- * 4. Hubert Kiesewetter, 'Competition for Wealth and Power: The Growing Rivalry between Industrial Britain and Industrial Germany, 1815 - 1914', Journal of European Economic History, 20 (Fall 1991), 271 - 299.
- * 5. Harmut Berghoff and Roland Möller, 'Tired Pioneers and Dynamic Newcomers? A Comparative Essay on English and German Entrepreneurial History, 1870 - 1914', Economic History Review, 2nd ser., 47:2 (May 1994), 262-87.
- * 6. Jürgen Kocka, 'Entrepreneurs and Managers in German Industrialization', in P. Mathias and M.M. Postan, eds., The Cambridge Economic History of Europe, Vol. VII:i (Cambridge, 1978), pp. 492 - 589. [Note: this reading is too long to be photocopied for the course reader]
- * 7. S. B. Webb, 'Tariffs, Cartels, Technology, and Growth in the German Steel Industry, 1879-1914', Journal of Economic History, 40 (June 1980), 309-30. See also Robert Allen, 'International Competition in Iron and Steel, 1850-1913', Journal of Economic History, 39 (1979), 911-38.

German Investment or Universal Banking and the State

- * 8. Jeremy Edwards and Sheilah Ogilvie, 'Universal Banks and German Industrialization: A

Reappraisal', The Economic History Review, 2nd ser., 49:3 (August 1996), 427-46.

- * 9. Caroline Fohlin, 'Regulation, Taxation, and the Development of the German Universal Banking System, 1884 - 1913', European Review of Economic History, 6:2 (August 2002), 221-54. See also: Caroline Fohlin, 'Universal Banking in Pre-World War I Germany: Model or Myth?', Explorations in Economic History, 36:4 (October 1999), 305-43
- *10. Caroline Fohlin, Finance Capitalism and Germany's Rise to Industrial Power (Cambridge and New York: Cambridge University Press, 2007).
- *11. Carsten Burhop, 'Did Banks Cause the German Industrialization?', Explorations in Economic History, 43:1 (January 2006), 39-63.
- 12. Richard H. Tilly, 'German Banking, 1850-1914: Development Assistance for the Strong', Journal of European Economic History, 15 (1986), 113-181. See also R.H. Tilly, 'Mergers, External Growth, and Finance in the Development of Large-Scale Enterprise in Germany, 1880-1913', Journal of Economic History, 42 (Sept. 1982), 629-58.
- * 13. Hugh Neuberger and H.H. Stokes, 'German Banks and German Growth, 1883-1913: An Empirical View', Journal of Economic History, 34 (1974), 710-31.
- * 14. Carsten Burhop, 'The Level of Labour Productivity in German Mining, Crafts, and Industry in 1913: Evidence from Output Data', European Review of Economic History: 12:2 (August 2008), 200-219.

QUESTIONS:

1. Debate the Landes thesis concerning the negative role of family firms in French and German economic development and industrialization during the 19th century. How have other historians, especially Claude Fohlen, for France, attacked or modified the Landes thesis? Did French family firms differ in their business conduct in any ways from German family firms? Did either in fact differ from British family firms?
2. Was French or German industry typically small scale and dominated by family firms? What variations can be found in the structure of 19th-century French business and industry: by occupations, industry, and by region? How did the German industrial structure differ from the French (and the British): was typical industrial scale in fact larger in Germany?
3. Discuss and compare the financing of German and French industry in the 19th century, and the relationships between business organizations (corporations or partnerships, etc.), financial institutions, and foreign investments. Did investment banks play a more powerful role in industrialization in Germany than in either Britain or France? Were the long-term consequences positive or negative consequences?
4. Why did cartels become so prominent in German industry, from the 1870s? Which industries in particular were the most likely to be cartelized? What was the relationship between oligopolies and cartels? And between industrial structures, the 'great banks', and the state? Were French industries cartelized to the same extent? Were cartels subject to the market forces of competition, in either

country?

5. How innovative was German industry -- more so than the French (or British)? In what types of German business organizations and industrial structures were industrial innovations most commonly found? How and why did Germany gain industrial supremacy in the steel (European), chemical (world), and electrical (world) industries.
6. What role did military and other political considerations play in the development of French and German industry in the late 19th, early 20th century?
7. Compare the roles that entrepreneurship and industrial organization played in the industrialization and economic development of France and Germany between 1850 and 1914. How does their experience differ, if at all, from the British, in this same period?

Note: You may construct or select an essay topic dealing with either France or Germany or both; or you may instead compare either French and/or German entrepreneurship with the British, in the 19th century. As you will note, there are many more readings (in English) for entrepreneurship in France than in Germany; but you may supplement these readings, if choosing a topic on Germany, by using those for Topic no. 8, on the Role of the State in European Economic Development: a Comparison of Germany and Russia, 1814-1914. You are advised, however, to keep the topic narrow, and thus you may be best advised to concentrate on just one country – unless, say, and for example, you wish to compare the role of education in German and French entrepreneurship.