

LATIN AMERICAN BUSINESS HISTORY, c. 1870-1930: RECENT TRENDS IN THE ARGENTINIAN AND BRAZILIAN LITERATURE

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The bibliography on latin american business history is limited but growing. In part this is due to the novelty of the subject which is only now emerging as a distinct discipline or more accurately is being consolidated as a clearly identifiable branch of economic history. In Brazil, Colombia, Chile and, possibly, Mexico and the Argentine, the study of business history has been enriched by the quality of new research into economic history at national and regional level. Indeed in several of these countries, economic history itself remains a young discipline (or a recently revived subject).

Surveying the literature on Brazil and the Argentine, this paper will first identify principal currents in the economic historiography which have influenced writing on business history. Secondly, it will consider main themes in the business literature. Thirdly, future areas of research will be identified.

ECONOMIC HISTORY AND BUSINESS HISTORY: SCHOOLING THE LITERATURE

Writing on business history is indebted to various intellectual traditions which may be traced directly to developments in the general social science literature. Analyses of the history of the society and economy of pre-1940s Latin America reflect larger controversies about the nature of contemporary latin american development which in

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turn provoked a reappraisal of the recent and not-so-recent past. Three major school may be described. It is now a commonplace that many texts written during and after the 1950s and 1960s were shaped successively by structuralist and dependency perspectives. More recently, a recognizable revisionist current has begun to emerge.

As is widely appreciated, structuralist theory took shape under the auspices of the Economic Commission for Latin America. *Cepalista* analyses were both descriptive and prescriptive; at the same time historical and predictive. Concerned, in the immediate post-second world war period, to explain and remedy Latin America's perceived sluggish industrial growth, developmentalists drew upon the ideas of Keynes and economic nationalists to challenge liberal economic orthodoxy particularly in the area of trade theory and the functions of the state. Focusing on internal bottlenecks and structural disjunctures in the world economy, *cepalistas* stressed the historic limits—and likely future costs—of export-led growth. They observed that the gains to latin american countries from economic specialization and participation in a relatively open world trading system were not as predicted by conventional liberal theory due to differing income elasticities of demand for primary and secondary products, the cumulative consequences of cyclical instability in the international system and imperfect factor markets in the industrialized economies. In sum, these effects resulted in the concentration of productivity gains occasioned by technical innovation in the so-called central, industrialized economies and deteriorating terms of trade for peripheral, primary producing economies.

The analytic and policy content of *cepalismo* —and the criticisms which it attracted— have been well rehearsed elsewhere.¹ However, two aspects of the debate are of relevance for any discussion of latin american business history. Namely, general assumptions about the availability of latin american entrepreneurial talent that permeated much of the initial work of the Commission and the early application of *cepalista* tenets to writing on the Argentine and Brazil. Under-pinning both

¹ For a brief review of *cepalismo* and the criticisms that it provoked, see C. Abel and C.M. Lewis (eds.), *Latin America: Economic imperialism and the State* London, 1991, pp. 3-5, 11-14, 398-400; A. Pinto and J. Knakal, "The centre-periphery system twenty years later" in E. Di Marco, *International economics and development: Essays in honour of Raul Prebisch*, New York, 1972. Authentic statements and re-statement of Latin American developmentalism can, of course, be found in the extensive writing of Raul Prebisch of which the following is but a small sample: *The economic development of Latin America*, New York, 1950; *Change and development: Latin America's great task*, New York, 1970; "A critique of peripheral capitalism", *CEPAL Review* (hereafter CR), 1, 1976; "A historic turning point for the Latin American periphery", CR 18, 1982. See also J.L. Love, "Raul Prebisch and the origins of the doctrine of unequal exchange", *Latin American Research Review* (hereafter LARR), XV, 3, 1980; V. Salera "Prebisch on Exchange and development: Latin America's great task", *Inter-American Economic Affairs*, XXIV, 4, 1971; J. Sproas, "The statistical debate on the net barter terms of trade between primary commodities and manufactures", *Economic Journal*, XL, 1, 1980; E.V.K. Fitzgerald, "ECLA and the formation of Latin American economic doctrine in the 1940s", in D. Rock (ed.), *Latin America in the 1940s*, Berkeley, 1992; R. Ground, "The Great depression and the genesis of import-substituting industrialization", CR, 1988, XXXVI, and R. Thorp, "A reappraisal of the origins of import-substituting industrialization, 1930-1950", *Journal of Latin American Studies* (hereafter JLAS), XXIV, 1992, *Quincentenary Supplement*.

theoretical discussion and policy prescription that emanated from Santiago de Chile during the formative years of ECLA/CEPAL was the assumption that the continent possessed a fund of entrepreneurship. Specifically with regard to the manufacturing sector and particularly the larger and medium sized economies, it was argued that there was a national industrial entrepreneurial lurking in the wings, waiting to seize the initiative. At a given conjuncture such as acute instability in the international trading and financial system, it only required benevolent state action to liberate this initiative from the constraint of unfair foreign competition in order to foster endogenous development driven by rapid industrialization headed by national capital. The events of the 1930s and 1940s appeared to provide some support for this view. Of even more direct concern, scholars working on Brazil were amongst the first to pioneer the historical application of developmentalism. The writing of Celso Furtado has made a signal contribution both to the study of the economic history of Brazil and to the CEPAL school of analysis.² Ferrer has made a not dissimilar contribution to the argentinian historiography.³

Furtado has written extensively on latin american and brazilian economics and history and on the political economy of development. Although much of his early work has been refined and revised, his principal texts remain essential reading. In his work on Brazil, Furtado referred to the cyclical pattern of brazilian growth based upon a succession of export staples. Until coffee emerged as the predominant commodity during the second half of the nineteenth century, there was little to show on the positive side of the balance sheet after several centuries of export activity. At this point Furtado found little evidence that a national market was developing. On the contrary, subsistence predominated and Brazil remained an archipelago of loosely link export enclaves. Monopoly rent seeking and resource exploitation rather than profit maximization and productivity enhancing investment characterized mono-export booms that were often short-lived. Resources were overwhelmingly concentrated in the dominant export activity of the moment and factor immobility hastened economic contraction when resource depletion or changes in work market conditions undermined the buoyancy of export production. Not until the appearance of coffee was there a sustained endogenous multiplier effect and by then earlier mono-product booms had fostered anti-progressive, seigniorial attitudes amongst the oligarchy and led to the consolidation of a conservative, patrimonial state. Only with great difficulty were these negative traits eroded by new

² Furtado first elaborated his thoughts on the nature of brazilian economic expansion in *A economia brasileira: uma contribuição a análise do seu desenvolvimento*, Rio de Janeiro, 1954. A more specifically historical dimension appeared in his later study *Formação econômica do Brasil*, Rio de Janeiro, 1961, subsequently translated into english as *The economic growth of Brazil: a survey from colonial to modern times*, Berkeley, 1963. See also *Economic development of Latin America: Historical background and contemporary problems*, Cambridge, 2nd ed., 1977, for a succinct continental statement of the cepalista approach.

³ A. Ferrer, *La economía argentina*, Mexico, 1963; *Crisis y alternativas de la política económica argentina*, México, 1977; *La posguerra*, Buenos Aires, 1982.

social and economic configurations associated with coffee production especially in the province of São Paulo after the 1860s. For Furtado, coffee production on the *paulista planalto* was critical for development —in terms of demand expansion, factor supply and market integration— although he expressed some doubts about the consequences of the coffee policy foisted upon government by planters during the early decades of the twentieth century.⁴ There is now an extensive literature devoted to the coffee and development. Much of this literature is of interest to business historians. The principal texts will be considered in subsequent sections.

Ferrer followed Furtado in applying *cepalista* precepts to the study of argentinian economic growth in the long-run while devoting most attention to the periods of export-led growth and import-substituting industrialization. Despite drawing on a common approach with Furtado, Ferrer offers a distinct perspective on recent argentinian development. Arguably, Ferrer's principal contribution was his application of the concept of the disaggregated economy. While most recent contributions to the brazilianist literature have stressed links between export-led growth and early industrial expansion, Ferrer emphasised the disjunction between the export and manufacturing sectors during phases of export growth and import-substitution. For Ferrer, the argentinian manufacturing sector was enclaval in character.

By the later 1960s, perceived flaws in the ECLA model provoked radical criticism of both *cepalista* development policy and school of historical analysis. The distorted nature of latin american industrialization -particularly the failure to promote domestic capital goods production and the dominant position of foreign corporations as well as stagflation, balance of payments problems and continuing social inequity- were seized upon by opponents of the Commission. After approximately two decades of discussion, policy innovation and the dissemination of developmentalist propaganda, what had been accomplished? Establishing the ideological provenance of dependency analysis or the intellectual connexion between *dependencia* and *cepalismo* is beyond the scope of this paper.⁵ For this purpose, the content of the dependency debate —its focus on

⁴ Suzigan provides a concise account of this and other aspects of the debate about industrialization. See W. Suzigan, *Indústria brasileira: origem e desenvolvimento*, São Paulo, 1986, pp. 21-44, especially pp. 25-28. See also, C. M. Pelaez, *História da industrialização brasileira*, Rio de Janeiro, 1972; W. Cano, *Raízes da concentração industrial em São Paulo*, São Paulo, 1977, pp. 202-24; S. Siber, "Analise da politica econômica e do comportamento da economia brasileira, 1929-39", in F. Versiani and J.R. M. de Barros, *Formação econômica do Brasil: a experiência da industrialização*, São Paulo, 1977. For a discussion of coffee policy and industrialization, see in addition, C. M. Pelaez, "Analise econômica do programa brasileira de sustentção de cafe, 1906-45", *Revista brasileira de economia*, XXV, 5, 1971; T.H. Holloway, *The brazilian coffee valorization of 1906: Regional politics and economic dependence*, Madison, 1975; A. Delfim Netto, *O problema do cafe no Brasil*, Sao Paulo, 1959.

⁵ Abel and Lewis, *op.cit.*, pp. 10-20, offer an account of the origins and evolution of the dependency debate and the nature of the links between *cepalista* and dependency. A review of the principal "failures" of ECLA industrial strategy and recent revisions in the literature is introduced in C. M. Lewis, "Industry in Latin America" in W. L. Bernecker and H. W. Tobler (eds.), *Development and Underdevelopment in America*, forthcoming, New York, 1993.

the social as well as the economic—and contributions made by authors writing on Brazil is again the point at issue. The origins of the modern debate about dependency can be dated with the appearance of works by Frank and Cardoso and Faletto.⁶ These texts addressed the problematic of latin american development over the long-run and devoted substantial attention to Brazil.

According to some, Frank's analysis was over-general and ahistoric. Concentrating upon exchange and stressing the external, Frank argued that development had been frustrated by an early (external) form of capitalist penetration which had sustained pre-modern, anti-developmental social structures with the result that progressive capitalism had been frustrated. These anti-progressive forces inhibited local capital accumulation, constrained the growth of the market and prevented the industrial bourgeoisie and proletariat from performing their historic role. Combining an analysis of the internal and the external dimensions of the problem, Cardoso and Faletto offer a more dynamic, differentiated account of latin american development deriving in part from Cardoso's earlier work on social elites⁷ which delivers to students of business history a convincing periodization of the pattern and process of development. For Brazil, stress was placed upon the ability of the nineteenth-century *paulista* elite to retain control of economic resources and the willingness of planters to divert coffee profits into other sectors, principally social overhead projects and manufacturing.

If Brazil afforded Cardoso and Faletto an example of dynamic—albeit—dependent development fostered in part by a risk-taking rural oligarchy, their assessment of the Argentine offered a different view. Possibly pre-figuring the writing of Sábato,⁸ they pointed to a more narrowly circumscribed pattern of entrepreneurial behaviour in the Argentine. Like their brazilian counterparts, pampean *estancieros* retained control of productive resources and actively accumulated capital. Also, as in the coffee zone of Brazil, argentinian export-led growth fostered institutional change conducive to development—immigration, market integration and growth, organizational modernization and so forth. Yet, unlike *paulista fazendeiros*, pampean magnates did not diversify beyond agrarian activities at this juncture. While pre-1930s argentinian economic history provides an example of remarkable diversification in export commodities and markets, there is little evidence of a substantial flow of rural capital into non-agrarian productive activities. Given a shifting profile of price-responsive agro-exports, arguably, large-scale, commodity production re-

⁶ A. G. Frank, *Capitalism and underdevelopment in Latin America: Historical studies of Chile and Brazil*, New York, 1967; F. H. Cardoso and E. Faletto, *Dependencia y desarrollo en América Latina*, México, 196 but see also the much extended english version *Dependency and Development in Latin America*, London, 1979.

⁷ F. H. Cardoso, *Capitalismo e escravidão no Brasil meridional*, São Paulo, 1962; see also *Ideologías de la burguesía industrial en sociedades dependientes (Argentina y Brasil)*, México, 1971.

⁸ J. F. Sábato, *Notas sobre la formación de la clase dominante en la Argentina moderna*, Buenos Aires, 1979; *La Pampa pródiga: claves de una frustración*, Buenos Aires, 1982.

mained too profitable for too long. Confronted initially by sharp cyclical movements in coffee prices and subsequently by a secular price decline, *paulista* planters had diversified investments. Blessed with a more favourable resource endowment, pamporean *estancieros* simply adjusted the mix of temperate commodities in response to world price differentials, shifting from pastoral to arable products in order to sustain operating profits.

For Brazil, authors writing about "dependent development", provide detail and interpretive comment about official policy, markets, social actors, commercial organizations and institutional formation which is of direct relevance to any survey of business history.⁹ Much of this scholarship, like that of the *cepalista* school, directly addressed issues of industrial expansion and absorbed earlier work on the subject.¹⁰ Enriched by the mutual antagonism of much dependency and structuralist scholarship, the last decade has witnessed the emergence of innovative accounts of the pre-second world war period. A significant part of this new research has emanated from economic and social historians associated with the University of Campinas who have contributed the "late capitalist" approach to industrial development. Amongst the main exponents of what may properly be described as the "Campinas school" are Suzigan, Cardoso de Mello and Cano.¹¹ Although much of this literature is consciously concerned with the narrow theme of industrialization and devotes a great deal of attention to policy issues, it has a larger impact. If Suzigan is primarily interested in constructing a proxy for industrial investment from capital goods imports, he also provides pen pictures of several firms which point to changes in the pattern of corporate organization. Biographical information on individual entrepreneurs as well as individual companies is supplied by Cano. Cardoso de Mello develops Gerschenkron's ideas about institutional substitutability in late industrializing economies and opportunities or constraints deriving from the international setting. All these studies provide hard evidence for scholars seeking to apply chandlerian, weberian or schumpeterian concepts to the study of corporations or entrepreneurship in Brazil. Revisionist writing on the Argentine defies the relatively precise chronology which may be applied to the evolution of literature on Brazil. Just as the dependency debate was gathering momentum,

⁹ See, for example, H. Jaguaribe, *Desenvolvimento econômico e desenvolvimento político*, Rio de Janeiro, 1962; T. dos Santos, *Dependencia y cambio social*, México, 1970; O. Ianni, *Industrialização e desenvolvimento social no Brasil*, Rio de Janeiro, 1963; N.W. Sodré, *História da burguesia brasileira*, Rio de Janeiro, 1964; P. Evans, *Dependent development: the alliance of multinational, state and local capital in Brazil*, Princeton, 1979.

¹⁰ R.C. Simonsen, *A indústria em face da economia nacional*, São Paulo, 1937, and *História econômica do Brasil*, São Paulo, 1937. The classic marxist analysis of the colonial period and its legacy remains C. Prado Jr., *História econômica do Brasil*, São Paulo, 1956. Informative and still highly regarded, N. Villela Luz, *A luta pela industrialização do Brasil: 1808 a 1930*, São Paulo, 1961 gives a good account of elite attitudes to manufacturing which complements, for the period 1930-45, O. Ianni, *Estado e capitalismo: estructura social e industrialização no Brasil*, Rio de Janeiro, 1965.

¹¹ Suzigan, *Indústria brasileira op.cit.*; J.M. Cardoso de Mello, *O capitalismo tardio*, São Paulo, 1982; W. Cano, *Raízes da concentração industrial em São Paulo*, São Paulo, 1981.

general works such as those by Díaz Alejandro and Di Tella and Zymelman sought to consolidate earlier modernizationist approaches. These in turn fostered later, more overtly, revisionist texts. Several of these have applied —or re-applied— a staple theory approach.¹² As the excellent article by Korol and Sábato on the Argentine indicates, many recent contributions to the economic historiography have been obsessed with industrialization.¹³ Hence, much research since the 1960s has resulted in new lines of enquiry of relevance to the business historian.

BUSINESS AND DEVELOPMENT

Many of the enduring debates in latin american economic and political history have obviously shaped and stimulated directions in the study of business history. As implicit in the above section, for the period addressed by this paper, the principal themes in the brazilian historiography include: the nature of regime change in 1899 and 1930; state policy and ideology; regional and sectoral disparities; coffee and development; industrialization; the impact of the external environment and exogenous events; social change and societal modernization; the economics of slavery and its social legacy.¹⁴ Few themes have had a more productive impact upon business history than controversies about entrepreneurship and the economic consequences of official policy. For the Argentine, the predominant strands in the economic historiography are not dissimilar. Frustrated industrialization, missed opportunity and acute cyclical (leading to absolute and relative economic decline) dominate much of the literature on the twentieth century. The character of pampean expansion (including comparisons with other areas of recent settlement), national organization, labour, immigration and institutional transformation,

¹² C.F. Díaz Alejandro, *Essays on the economic history of the Argentine Republic*, New Haven, 1970; G. Di Tella and M. Zymelman, *Las etapas del desarrollo económico argentino*, Buenos Aires, 1967. For a more combative anti-dependency view of an earlier period, see J. C. Brown, *A Socio-economic history of Argentina, 1776-1860*, Cambridge, 1979. However, the most conscious attempt to promote a new approach to the study of argentinian economic history is to be encountered in the volumes edited by D. C. M. Platt and G. Di Tella: see, for example, *Argentina, Australia and Canada: studies in comparative development, 1870-1915*, London, 1985; *The political economy of Argentina, 1880-1946*, London, 1986. For a more recent contribution to this comparative debate see, C. B. Schedvin, "Staples and regions of pax britannica", *Economic History Review*, XLIII, 4, 1990, and T. Duncan and J. Fogarty, *Australia and Argentina: on parallel paths*, Melbourne, 1986. Other authors have also successfully revived and extended a diffusionist approach to the study of argentinian economic history: these include R. Cortés Conde, *El progreso argentino, 1880-1914*, Buenos Aires, 1979.

¹³ J. C. Korol and H. Sabato, "Incomplete industrialization: an Argentine obsession", *Latin American Research Review*, XXV, 1, 1990, pp. 7-30.

¹⁴ See N. Villela Luz, "A história econômica do Brasil no período de 1830 a 1930: abordagens e problema, um ensaio bibliográfico" in C. M. Peláez and M. Buescu (eds.), *A moderna história econômica*, Rio de Janeiro, 1976; T. E. Skidmore, "The historiography of Brazil, 1889-1964", *Hispanic-American Historical Review*, LV, 4, 1975, LVI, 1, 1976.

the standard of living and market formation, and the connexion with Great Britain constitute the principal issues for the 1870-1930 period.¹⁵ But of even more direct relevance to students of business history, the discussion of the role of foreign capital in Latin America has now moved from the macro to the micro, sometimes focusing on individual companies and organizations.¹⁶

The source of entrepreneurship is central to the debate about industrialization. The modern origin of the controversy dates from W. Dean's seminal study of *paulista* industrial expansion.¹⁷ Dean's carefully researched and now widely accepted challenge to the view that modern manufacturing dates from 1930 contained an assertion which was less well received, namely that in pre-second world war Brazil the industrial entrepreneurial was of foreign origin. For Dean, while *paulista* planters were agents of agricultural modernization and the growth of coffee production and exports underwrote industrial expansion, industrial expertise derived almost exclusively from the ranks of overseas merchants, immigrant penny capitalists (or foreigners who made good in the coffee sector) and expatriate managers. This view —the so-called "bourgeois immigrant" approach to industrialization— has been successfully rebutted by exponents of the *cepalista* and, particularly, the Campinas schools.¹⁸ The latter offer a "late capitalism" perspective on business organizations. As a result there are now several first class studies on entrepreneurial formation, mainly at province/state level. Among the best examples are the works of Z. M. Cardoso de Mello on São Paulo and Giroletti and Vaz on Minas Gerais.¹⁹ These micro studies provide a wealth of qualitative and quantitative data on family firms and limited companies and have superseded earlier accounts by Souza Martins and Faria.²⁰

¹⁵ T. Halperin Donghi, "Para un balance de la situación actual de los estudios de historia económica argentina", *Revista Universidad*, LXII, 1964; "Un cuarto de siglo de historiografía argentina, 1960-1985", *Desarrollo Económico* (hereafter DE), XXV, 100, 1986; "Argentina: ensayo de interpretación" in R. Cortés Conde and S.J. Stein (eds.), *Latin America, 1830-1930: a guide to the economic history*, Berkeley, 1977, and C.F. Diaz Alejandro, "No less than one hundred years of Argentine economic history plus some comparisons", in G. Ranis (ed.), *Comparative development in perspective: essays in honour of Lloyd Reynolds*, Berkeley, 1984.

¹⁶ For recent examples, see M. C. Eakin, *British enterprise in Brazil: the St. John d'El Rey Mining Company and the Morro Velho Gold Mine, 1830-1960*, Durham, N.C., 1989; R. García Heras, *Transportes, negocios y política: la compañía Anglo-Argentino de Tranvías, 1876-1981*, Buenos Aires, 1994.

¹⁷ W. Dean, *The industrialization of São Paulo, 1880-1945*, Austin, 1969.

¹⁸ A. Fishlow, "Origins and consequences of import substitution in Brazil" in L. E. Di Marco (ed.), *International economic development: essays in honour of Raúl Prebisch*, New York, 1972; Suzigan, *Indústria brasileira*, op.cit., chapter I.

¹⁹ Z. M. Cardoso de Mello, *São Paulo, 1845-1895: metamorfoses da riqueza*, São Paulo, 1991; A. M. Vaz, *Cia. Cédro e Cachoeira: história de uma empresa familiar, 1883-1987*, Belo Horizonte, 1990; D. A. Giroletti, *Industrialização de Juiz de Fora, 1850-1930*, Juiz de Fora, 1988. Of related interest and offering a distinct perspective on São Paulo, T. Szmrecsanyi, "Agrarian bourgeoisie, regional government and the origins of São Paulo's modern sugar industry", paper presented at the Symposium on Elites and Economic Management in Latin America, XIX and XXth Centuries, 47th International Congress of Americanists, Tulane, 1990.

²⁰ J. Souza Martins, *Empresario e empresa na biografia do conde Matarazzo*, Rio de Janeiro, 1967; A. Faria, *Mauá: Irenêo Evangelista de Souza, barão e visconde de Mauá*, São Paulo, 1933.

New work on Minas Gerais, explicitly that of Giroletti, Arantes and Lima, extends the challenge to Dean initiated by the Campinas school by cautioning against over-generalization from the case of São Paulo.²¹ Following Campinas scholars, they acknowledge the contributions of immigrants to regional industrial growth while stressing the significance and quality of native *mineiro* entrepreneurship. In emphasising the autonomous nature of early industrial growth in up-country regions, they also point to a process of that was less export-driven than the *paulista*. As indicated below, most recent scholarship on São Paulo, Minas Gerais and, indeed, other parts of Brazil such as Rio de Janeiro and Pernambuco considers the social origin of businessmen, examines factors that encouraged transfers of resources from agriculture to manufacturing, analyses relations amongst firms operating in an industry and ponders processes of technical and managerial diffusion.

The argentinian literature on entrepreneurship (and industrialization) cannot be compared with the brazilian. There is no equivalent text in the argentinian historiography to the book by Dean nor is there body of material similar to that provoked by *cepalistas* and the Campinas school and its respondents. Scholars associated with the Instituto Torcuato Di Tella published pioneer works in both fields but their contributions failed to trigger the responses initiated in Brazil by the writing of Furtado, Dean, *et al.*²² Although dated, the outstanding study of both a business empire and a businessman remains Cochran and Reina.²³ Moreover, the argentinian literature focuses mainly on Buenos Aires: the work of Guy provides one of the few examples of an analysis of up-country enterprise. In a study, not unlike that of Z. Cardoso de

²¹ Domingos, *Industrialização de Juiz de Fora* op.cit.; L. A. V. Aranres, *Os origens da burguesia industrial em Juiz de Fora, 1858-1912*, Juiz de Fora, 1991; J. H. Lima, *Café e indústria em Minas Gerais, 1870-1920*, Petrópolis, 1981.

²² For a discussion about export-led industrialization see: R. Cortés Conde and E. Gallo, *La formación de la Argentina moderna*, Buenos Aires, 1973, a considered example of early revisionist writing; other contributions by Cortés Conde [particularly *El progreso argentino*, op. cit., "Problemas del crecimiento industrial de la Argentina, 1870-1914", DE, III, 1-2, 1963; "El boom argentino ¿una oportunidad desperdiciada?" in T. Di Tella and T. Halperin Donghi, *Los fragmentos del poder*, Buenos Aires, 1969, and "Some notes on the industrial development of Argentina and Canada in the 1920s", in Platt and Di Tella, *Argentina, Australia and Canada*, loc. cit.]; E. Gallo and J. Katz, "Industrialization in Argentina" in C. Véliz (ed.), *Handbook of Latin America*, London, 1967; E. Gallo, *Agrarian expansion and industrial development in Argentina, 1880-1930*, Buenos Aires, 1970; L. Geller, "El crecimiento industrial argentino hasta 1914 y la teoría del bien primario exportable", *El Trimestre Económico*, XXXVII, 148, 1970. The contributions by Cortés Conde and Gallo show a considerable shift in their thinking between the 1960s and 1970s.

²³ T. C. Cochran and R. E. Reina, *Entrepreneurship in Argentina Culture: Torcuato Di Tella and SIAM*, Philadelphia, 1962. Excellent accounts of the immigrant origin of entrepreneurs can be encountered in O. Comblit, "Inmigrantes y empresarios en la política argentina", DE, VI, 24, 1967; D. Cuneo, "La burguesía industrial oligárquica, 1875-1930" in Cuneo (ed.), *Comportamiento y crisis de la clase empresaria*, Buenos Aires, 1967. Aspects of the debate may also be encountered in Diaz Alajando, *Essays*, op. cit., and A. Dorfman, *Historia de la industria argentina*, Buenos Aires, 1970; M. Peralta Ramos, *Etapas de acumulación y alianza de clases en la Argentina, 1930-1970*, Buenos Aires, 1972 and R. Saútu, "Poder económico y burguesía industrial en la Argentina, 1930-54", *Revista Latinoamericana de Sociología*, LXVIII, 3, 1968.

Mello, which embraces both the capital city and other regions, Guy demonstrates how some of the most successful firms were those able to draw on external sources of finance —mainly the European capital market— in addition to export profits.²⁴

Several of these works on argentinian and brazilian entrepreneurs neatly highlight a major problem with the literature for the pre-1930 period. While attempting a study of an enterprise, many authors offer instead an essay on entrepreneurship. Given the nature of the sources, and the emphasis in the literature on the origin and attitudes of entrepreneurs, perhaps it is unsurprising that many texts focus on the character and role of the individual rather than the organization of the institution.

Less directly related to business operations at firm level, accounts of government macroeconomic policy clearly inform opinion about the larger environment within which business operated and shed light on connexions between business and the state. While general histories, such as the book by Díaz Alejandro, comment on official policy, there are few extensive studies for the pre-1930 period for the Argentine to match monographs about later decades.²⁵ Recently, several publications by the Centro Editor de América Latina have attempted to fill this gap -there are interesting studies on protectionism, labour, social policy, money and banking.²⁶ Nevertheless, despite its limited chronological focus, perhaps the best study remains Chiaramonte's investigation of (external) commercial and financial crises on production and economic ideology. He argues that exogenous shocks in the 1860s and 1870s fostered a demand for protection in favour of "natural industries".²⁷ As already indicated, historians of the Campinas school touch upon the theme of state, policy and private capital. Evans provides a reference point for this discussion

²⁴ D. J. Guy, "La industria argentina, 1870-1940: legislación comercial, mercado de acciones y capitalización extranjera", DE, XXII, 87, 1982; "Refinería Argentina, 1888-1930: límites de la tecnología azucarera en una economía periférica", DE, XXVIII, 111, 1988.

²⁵ The classic works are M. Peralta Ramos, *Etapas de acumulación y alianzas de clases en la Argentina, 1930-1970*, Buenos Aires, 1972; R. D. Mallon and J. V. Sourrouille, *Economic policymaking in a conflict society: the argentine case*, Cambridge, Mass. 1975. See also G. W. Wynia, *Argentina in the postwar era: politics and economic policy-making in a divided society*, Albuquerque, 1978.

²⁶ J. Panettieri has made an impressive contribution to the CEAL series: *Aranceles y promoción industrial, 1862-1930*, Buenos Aires, 1983; *Proteccionismo, liberalismo y desarrollo industrial*, Buenos Aires, 1983; *Las primeras leyes obreras*, Buenos Aires, 1984; *Devaluaciones de la moneda, 1822-1935*, Buenos Aires, 1983. In the same series, see also M. R. Gordillo, *El movimiento obrero ferroviario desde el interior del país, 1916-1922*, Buenos Aires, 1988; E. A. Isuani, *Los orígenes conflictivos de la seguridad social argentina*, Buenos Aires, 1985; O. Troncoso, *Fundadores del gremialismo obrero, vols I & II*, Buenos Aires, 1983; R. Falcón, *Los orígenes del movimiento obrero (1857-1899)*, Buenos Aires, 1984, and *El mundo del trabajo urbano, 1890-1914*, Buenos Aires, 1986. C. Jones has made several contributions to the history of banking and the consequences of argentinian banking policy, see: "The State and business practice in Argentina, 1862-1914" in C. Abel and C.M. Lewis (eds.), *Latin America: economic imperialism and the State*, London, 1991. Jones argues that after the 1880s official banking practice and monetary policy became rigidly orthodox thereby limiting the supply of capital to new businesses. For labour, see also J. Adelman (ed.), *Essays in argentine labour history*, London, 1992.

²⁷ J. C. Chiaramonte, *Nacionalismo y liberalismo en la Argentina, 1860-1880*, Buenos Aires, 1971.

while Topik, in a revisionist account, examines the regulatory and entrepreneurial role of the state during the Old Republic (1889-1930).²⁸ Most authors writing on government policy, however, acknowledge the trail-blazing study of Villanova Villela and Suzigan.²⁹ As identified by Villanova Villela and Suzigan, the key areas of macroeconomic management were money supply, fiscal policy, the exchange rate and foreign debt. There is now an extensive bibliography devoted to each of these themes.³⁰ Perhaps the argentinian literature is less rich because from the late nineteenth century until almost the middle of the twentieth century the nominal exchange rate was stable and monetary policy fairly orthodox. Argentinian exchange and monetary policy elicited contemporary criticisms but have subsequently yielded less profound historical scholarship than the brazilian.

Moving from macro-analyses, relatively new directions in the historiography have contributed to sectoral and regional studies that make a contribution to brazilian business history. Arguably, the bibliography on agriculture, railways, public utilities, manufacturing, commerce and banking has most to offer the business historian. On agriculture (essentially coffee), Dean's earlier work about *paulista fazendeiros* and land policy has probably been superseded by that of Eisenberg.³¹ Essentially a socio-institutional study, Eisenberg's account of the *paulista* coffee lobby in the late 1870s encapsulates the production and other problems experienced by a modernizing rural capitalists class at a critical moment in the consolidation of the new coffee economy. His research presents a convincing account of difficulties confronting a wouldbe national bourgeoisie in late nineteenth century Brazil. The contrast that Eisenberg establishes in his study of São Paulo coffee capitalists with sugar producers of north-east Brazil who featured in his earlier volume is startling.³² Szmrecsanyi, who has also written extensively on aspects of rural economy and society, offers an informative account of entrepreneurship, policy and the consoli-

²⁸ Evans, *op.cit.*; S. Topik, *The political economy of the brazilian State, 1889-1930*, Austin, 1987.

²⁹ A. Villanova Villela and W. Suzigan, *Politica do governo e crescimento da economia brasileira, 1889-1945*, Rio de Janeiro, 1973. See also the more recent W. Fritsch, *External constraints on economic policy in Brazil, 1889-1930*, Basingstoke, 1988.

³⁰ For a selection of recent work, see C. M. Pelaez and W. Suzigan, *História monetária do Brasil*, Brasília, 1976; F. and T. Versiani, "A industrialização brasileira antes de 1930" in Versiani and Barros (eds.), *loc.cit.*; E. A. Cardoso, "Desvalorizações cambiais, indústria e café: Brasil, 1862-1906", *Revista Brasileira de Economia*, XXXV, 2, 1981, pp. 85-106; M. B. Levy, "The brazilian public debt domestic and foreign —1824-1913", mimeo., 1989; G. H. B. Franco, *Reforma monetária e instabilidade durante a transição republicana*, Rio de Janeiro, 1983; R. W. Goldsmith, *Brasil, 1850-1984: desenvolvimento financeiro sob um século de inflação*, São Paulo, 1986.

³¹ W. Dean and "Latifundia and land policy in nineteenth century Brazil", *Hispanic American Historical Review*, LI, 4, 1971, pp. 606-625; "The planter as entrepreneur: the case of São Paulo", *HAHR*, XXXVI, 2, 1966, pp. 138-52; P. L. Eisenberg, *A mentalidade dos fazendeiros no congresso agricola de 1878*, São Paulo, 1990.

³² P. L. Eisenberg, *The sugar industry in Pernambuco: Modernization without change, 1840-1910*, Berkeley, 1974.

dation of an early agri-business complex in a neglected sector of the *paulista* economy, cane sugar production and processing.³³ Much of this scholarship seeks to extend in time and space earlier pioneering micro studies on rural capitalism by Stein and Dean respectively on coffee counties in Rio de Janeiro and São Paulo.³⁴ Both the latter works examined in great detail the mechanics of plantation enterprises from inception to maturity and decline. Renewed attention has also been given to the marketing of coffee, more especially technological and other factors —the coming of the railways, investment in storage facilities, imperfect access to market information and finance— that promoted organizational changes that reinforced the preponderance of foreign shippers between the 1870s and the 1920s before planter-driven state intervention limited the role of foreign shippers.³⁵

While disagreeing about detail and points of interpretation, El-Kareh, Nogueira da Matos, Mattoon, Lewis and De Saes have made contributions to business history in their books and articles on railways and utilities.³⁶ De Saes, Nogueira da Matos and Lewis consider inter-corporate rivalries and the strategic planning of individual firms. De Saes also gives a great deal of attention to profitability at firm level. Mattoon, Lewis and particularly De Saes identify examples of technology transfer and of conflict amongst state, local private and foreign-owned companies. They also focus on the extent of state support for private initiative in the sector. Lewis and De Saes comment favourably on local management and shareholding: Mattoon tends to depict *paulista* investment in railway scrip in less dynamic terms. De Saes and McDowell have paid special attention to the impact of technical innovation on organization at firm and industry levels.³⁷ Similar issues are raised by Giroletti and Herminio in their monograph on an earlier form of transport, the União e Industria turnpike between Rio de Janeiro and the interior.³⁸ Some of this material also

³³ Szmrecsanyi, "Agrarian bourgeoisie", *op.cit* and of related interest by the same author, *Pequena história da agricultura no Brasil*, São Paulo, 1990.

³⁴ S. J. Stein, *Vassouras: a Brazilian coffee county, 1850-1900*, Cambridge, Mass., 1957; W. Dean, *Rio Claro: a Brazilian plantation system, 1820-1920*, Stanford, 1976.

³⁵ J. E. Sweigart, *Coffee factorage and the emergence of a brazilian capital market, 1850-1888*, London, 1987; R. G. Greenhill, "The brazilian coffee trade" in D. C. M. Platt, *British imperialism, 1840-1930: an inquiry based on british experience in Latin America*, Oxford, 1977.

³⁶ A. El Karah, *Filha branca de mae preta: a companhia da estrada de ferro D. Pedro II, 1855-1865*, Petrópolis, 1982; O Nogueira da Matos, *Café e ferrovias: a evolução ferroviária de São Paulo e o desenvolvimento da cultura cafeeira*, São Paulo, 1974; R.H. Mattoon, "Railroads, coffee and the growth of big business in São Paulo, Brazil", *HAHR*, LVII, 2, 1977, pp. 273-92; C. M. Lewis, *Public policy and private initiative: Railway building in São Paulo, 1860-1889*, London, 1991; F. Azevedo Marques de Saes, *As ferrovias de São Paulo, 1870-1940*, São Paulo, 1981 and *A grande empresa de serviços públicos na economia cafeeira*, São Paulo, 1986.

³⁷ De Saes, *A grande empresa*, *op cit.*; D. McDowell, *The light: Brazilian Traction, Light and Power Company Limited, 1899-1945*, Toronto, 1988.

³⁸ D. A. Giroletti and A. Herminio, *A companhia e a rodovia União e Industrial e o desenvolvimento de Juiz de Fora, 1850-1900*, Belo Horizonte, 1980.

addresses issues of finance and explores the hesitant role of local actors in emergent regional capital markets. Unsurprisingly, this literature is richest for São Paulo and Rio de Janeiro.³⁹

As will already be obvious, there is an extensive bibliography —old and new— on manufacturing. Stein's magisterial study of the cotton textile industry remains a work of reference although much new writing, following the Dean thesis on São Paulo, tends towards the regional.⁴⁰ Most also inclines to the sub-sectoral. There are solidly researched accounts on the textile industry in a number of provinces/states.⁴¹ Several concentrate upon a single company or small group of closely connected family firms. In addition, there have been a few attempts to emulate Dean and project a larger regional analysis of industry.⁴² Finally, the economic and business historian will find much of interest on regional economic and sectoral development, if rather less about particular enterprises, in the excellent series about regional/federal politics around the turn of the century by Love, Levine and Wirth.⁴³

In the argentinian literature, the sectoral spread of studies largely parallels the brazilian. The principal difference lies in the greater emphasis given to foreign-owned, mainly british, firms. There is obviously an extensive literature on agriculture —arable and pastoral— much of which contains information on “estate management”. J. F. Sábato has compiled the definitive —though not unchallenged— account of the economic philosophy and strategy of the pampean oligarchy during the period. He indicates that *estancieros* were decidedly capitalist in their approaches to land, a mentality which was not incompatible with an exercise of political

³⁹ In recent years, M. B. Levy has made several contributions to the study of the emergence and growth of the Rio de Janeiro money market. See her monograph, *História da Bolsa de Valores do Rio de Janeiro*, Rio de Janeiro, 1977 and recent paper “The brazilian public debt”, *loc. cit.* For additional information on traders and the beginnings of a local capital market, see Sweigart, *Coffee factorage*, *op. cit.* Also of interest is an earlier regional study, T. de Azevedo and E. Q. Vieira Lins, *História do banco da Bahia*, Rio de Janeiro, 1969.

⁴⁰ S. J. Stein, *The brazilian cotton manufacture: textile enterprise in an underdeveloped area, 1850-1950*, Cambridge, Mass., 1957.

⁴¹ Vaz, *op.cit.*; R. Borges Martins, *A indústria textil doméstica de Minas Gerais no século XIX*, Belo Horizonte; L. C. Soares, *A manufactura na formação econômica e social escravista no sudeste: um estudo das actividades manufactureiras na região fluminense, 1840-1880*, Niteroi, 1980; E. van der Weid and A. M. Rodrigues Bastos, *O fio da meada: estratégia de expansão de uma indústria textil —a Companhia América Fabril, 1878-1930*, Rio de Janeiro, 1986.

⁴² J. A. de Paula, *Dois ensaios sobre a gênese da industrialização em Minas Gerais: a siderurgia e indústria textil*, Belo Horizonte; S. Silva, *Expansão cafeeira e origens da indústria no Brasil*, São Paulo, 1976; Cano, *op.cit.*; C. Castro, *As empresas estrangeiras no Brasil, 1860-1913*, Rio de Janeiro, 1979. These works point to dynamic changes in corporate organization and the general diffusion of a “business mentality”.

⁴³ J. L. Love, *Rio Grande do Sul and brazilian regionalism, 1882-1930*, Stanford, 1971; R. M. Levine, *Pernambuco in the Brazilian Federation, 1889-1937*, Stanford, 1978; J. D. Wirth, *Minas Gerais in the Brazilian Federation, 1889-1937*, Stanford, 1977.

influence to minimise risk.⁴⁴ Information about a different scale of “rural business” is to be found in monographs on cereal colonies and sheep runs by Gallo and H. Sábato respectively.⁴⁵ Although not primarily business histories both provide insights into the formation and operation of medium-sized family farms. Similarly, Miguez who is principally concerned to reappraise direct British investment in land (which he argues should be written up by at least 50 per cent) comments on the business practices of several types of land operations —private *estancias* companies, early colonization enterprises and large integrated colonization and extractive businesses.

There is a large body of material on railway and utility companies and also on the financial sector. As already stated, given the preponderance of foreign investment, most focus on British firms and a substantial body of this literature is located within the dependency/imperialism debate rather than business history *per se*. Writing on the railways and tramways respectively, Lewis and García Heras offer insights into corporate structures and on relations between foreign businesses and host governments. They argue that, as natural monopolies, transport businesses were increasingly regulated from the turn of the century.⁴⁶ Writing on the financial sector, Jones is more cautious and argues that the business practices of British companies —notably the inculcation of a conservative philosophy of banking— may have fostered in the Argentine a pattern of activity that was not best suited to the needs of a credit-scarce primary-export economy seeking to diversify.⁴⁷ Similarly, as already indicated, there is now substantial body of general material devoted to pre-1930s patterns of industrial expansion. Although lacking the depth of the Brazilian bibliography, there are solid studies —old and new— on the textile industry.⁴⁸ At the other end of the spectrum, there are very recent essays on branch factories of early multinationals

⁴⁴ J. F. Sábato, *La clase dominante*, op. cit.; *La Pampa pródiga*, op. cit. For an earlier account see, H. C. Giberti, *Historia económica de la ganadería argentina*, Buenos Aires, 1961; J. C. Brown, *A Socioeconomic History* op. cit., has an excellent chapter on the business organization of a cattle estate —the Anchorena *estancias* and *saladeros* around the turn of the eighteenth century. S. E. Amaral’s forthcoming work in rural production and finance in the province of Buenos Aires during the early national period promises to be another major contribution to the literature.

⁴⁵ E. Gallo, *La Pampa gringa*, Buenos Aires; H. Sabato, *Agrarian capitalism and the world market: Buenos Aires in the pastoral age, 1840-1890*, Albuquerque, 1990. The classic account of the wool business, however, remains H. Gibson, *The history and present state of the sheep breeding industry in the Argentine Republic*, Buenos Aires, 1893.

⁴⁶ C. M. Lewis, “British railway companies and the Argentine government”, in Platt (ed.), *Business Imperialism, 1840-1930*, op. cit.; R. García Heras, “Hostage private companies under restraint: British railways and transport co-ordination in Argentina during the 1930s”, *Journal of Latin American Studies*, XIX, 1, 1987; “Las compañías ferroviarias y el control de cambios en la Argentina durante la Gran Depresión”, DE, XXIX, 1990; “Capitales extranjeros, poder político y transporte urbano de pasajeros”, loc. cit., and *Transportes*, op. cit. See also the recent republished essays by Schickendantz and Rebuelto, E. Schickendantz and Emilio Rebuelto, *Los ferrocarriles argentinos, 1857-1910*, Buenos Aires, 1994, pp. 29-32.

⁴⁷ C. Jones, “Commercial banks and mortgage companies” and “Public utility companies”, both in Platt (ed.), *Business imperialism, 1840-1930*, op. cit.; “British capital in Argentine history: Structures, rhetoric and change”, in C. A. M. Hennessy and J. King, *The land that England lost*, London, 1992.

⁴⁸ A. Petrecolla, *Substitución de importaciones y formación de capital industrial (la industria textil), 1920-1940*, Buenos Aires, 1968; L. Gutiérrez and J.C. Korol, “Historia de empresas y crecimiento industrial

which presented a distinct contrast to the "stand-alone" british-owned utilities. In the years immediately before and after the first world war, several US and european firms began to locate in Buenos Aires. Some processing operations like modern meatpacking firms and quebracho extract companies were drawn to the Argentine as part of a strategy for global supply dominance. Foreign manufactures, on the other hand, were attracted by the size and buoyancy of the local market.⁴⁹

TOWARDS A NEW RESEARCH AGENDA

Very recent research has broken new ground. There is now a growing body of clearly recognizable business history which if mainly represented by working papers, essays and articles also contains a number of key monographs. Recent writing has also given additional focus to the general direction of research and encourages speculation about future developments in the historiography. Inevitably, several of the themes that command attention are not new although others are distinctly innovative. To date, however, few studies are firmly anchored to what may be considered core theoretical business history analysis. Notwithstanding the intrinsic quality of much new research output, too many studies continue to be framed within the context of the structuralist/dependency debate. While not entirely pernicious, the tendency to conform with or to seek to rebut precepts established during fruitful exchanges of the 1960s and 1970s may have inhibited the infusion of alternative approaches to the subject. Few studies on Brazil and even less on the Argentine make adequate use of Chandler or comparative studies of international business.⁵⁰ Undoubtedly, this will change. There is also scope for an absorption by historians

en la Argentina: el caso de la Fábrica Argentina de Alpargatas", DE, XXVIII, III, 1988. The article by Gutiérrez and Korol is one of the first in-depth studies of the formation of a manufacturing firm, its organization and strategies to increase output and profitability. Its success was in part due to access to overseas capital and its identification of a niche market —in the production of cheap rope sandals— which reduced the possibility of competition from imports.

⁴⁹ For british and US meat-packers, see S.G. Hanson, *Argentine meat and the british market: Chapters in the history of the argentine meat industry*, Stanford, 1938. For other extractive industries, see, M. Cowan, "Capital, nation and commodities: the case of forestal land timber and railway company in Argentina and Africa, 1900-45" in J. J. van Helten and Y. Casis, *Capitalism in a mature economy*, Aldershot, 1990. On early multi-national manufacturers, see, M. I. Barbero, "Grupos empresarios, intercambio comercial e inversiones italianas en la Argentina: el caso de Pirelli, 1910-1920", *Estudios Migratorios Latinoamericanos*, V, 15/16, 1990; C. M. Lewis, "British business in the Argentine", in C. M. Lewis and R. Miller (eds.), *British business in Latin America* (forthcoming).

⁵⁰ The classic texts are A. D. Chandler, *The visible hand*, Cambridge, Mass., 1972; *Managerial hierarchies*, Cambridge, Mass., 1980; *Scale and scope*, Cambridge, Mass., 1990; P. Hertner and G. Jones (eds.), *Multinationals: theory and history*, Aldershot, 1986; G. Jones, *British multinationals: Origins, management and performance*, Aldershot, 1986; M. Wilkins, "European and north american multinationals, 1870-1914: Comparisons and contrasts", *Business History*, XXX, 1, 1988; "The free-standing company, 1870-1914: an important type of british foreign direct investment", *Economic History Review*, LXI, 2, 1988.

of some of the notions current in management science. Knowledge of basic concepts advanced by industrial relations theorists, games theory strategists or new approaches in the economic literature to the theory of the firm and possibly a greater awareness of systems of modern corporate finance might enable business historians of Latin America to chart a more secure course through the disparate, fragmented sources available.⁵¹ The injection of a little more "business theory" might encourage speculative extrapolations of entrepreneurial behaviour or long-run developments at company or industry level from data sources that are limited or discontinuous.

Particularly for Brazil, novel and continuing areas of dynamic research for the pre-second world war period can be identified under two inter-locking headings: family background and technical competence of entrepreneurs; the organization of the firm. The former heading covers enduring themes such as the social origin, nationality and intellectual formation of businessmen. In addition, it touches upon their status, political connexions and proficiency in dealing with other domestic and external social actors. That is, their ability to construct an environment that was conducive to business initiative and/or to influence policy. These are subjects that draw upon weberian and schumpetarian ideas of the businessman as aberrant innovator. The latter heading, rooted in the scholarship of Chandler, Schumpeter and perhaps Rostow, embraces more prosaic themes: the generation of capital and the financial structure of the firm; labour supply —recruitment, education and organization; technology, technological adaptation and the mechanics of production; marketing and distribution; the emergence of impersonal forms of management and differentiated structures of decision making; and, above all, corporate action to "guide" the market.

In addition to texts on entrepreneurial formation listed above, there are a limited number of works—mainly produced by sociologists—which specifically address questions of status (social and political), training and technical competence. These identify areas of further exploration for historians.⁵² As already indicated, the study of sources of "corporate" investment has been invigorated by the excellent work of Cano, Z. M. Cardoso de Mello and Vaz for Brazil and by Guy writing on the Argentine. These authors point to what can be achieved. Much more research, however, is required on the subject of finance and management in terms of the transition from family firm or private business to public limited company and (possibly) multi-division corporation. To date, the focus may have been too narrowly concerned

⁵¹ For a good example, see C. Jones, *International business in the nineteenth century*, Brighton, 1987.

⁵² F. H. Cardoso, *Empresario industrial e desenvolvimento econômico do Brasil*, São Paulo, 1972; F. C. Prestes Motta, *Empresarios e hegemonia política*, São Paulo, 1979; E. Diniz, *Empresario, Estado e capitalismo no Brasil, 1930-45*, São Paulo, 1978; V. C. Piccini, "¿De-se formar empresarios?", *Anais da IX Reunião da ANPAD*, Florianópolis, 1985; D. Giroletti, *A formação do empresario industrial*, Belo Horizonte, 199; see also Martins, *Conde Matarazzo op.cit.*, and other works by F. H. Cardoso listed above. One of the few historians to inject elements of modern "business science" into the study of businessmen is L. C. Bresser Pereira, *Empresarios e administradores no Brasil*, São Paulo, 1974; more diffuse is the compilation C. Aquino (ed.), *História empresarial vivida*, São Paulo, 1987.

with changing sources of finances and less on the implications for organization and business strategy.⁵³ Historians of business may also profitably explore the implications of changes in commercial legislations for national firms. Although economic historians have devoted considerable attention to periods of speculation (such as the late 1880s in the Argentina and early 1890s in Brazil), less attention has been given to reforms of the commercial code often associated with these periods. Here Guy and, to a degree, Levy demonstrate what can be done.⁵⁴ Juridical status, changes in company law (especially those relating to the several forms of liability/partnership prevailing in the late nineteenth century) affected the security of investments and were of paramount concern to businessmen and shareholders.

As students of business history appreciate, the "labour question" was also of over-riding importance. For Brazil for most of the period studied slavery—including abolition and resulting implications for labour supply—set the agenda. This, coupled with the size of the country, the weight of the subsistence sector, slow population growth, regionally specific flows of foreign immigrants and the inadequacy of transport facilities, meant that the labour market was at best highly stratified and probably functioned only at regional level until the 1930s or even later. Hence, labour problems were conceived largely in technical terms of supply and discipline, in the sense of adaptation to a set rhythm of production. Skidmore is probably correct in arguing that "order" was less of a problem. The literature on labour—essentially urban labour—before 1930 points to a weak, divided, vulnerable component of society. In the countryside and in towns, unemployment, underemployment and a near monopoly of the means of violence enjoyed by employers limited scope for worker solidarity. After the 1930s, the state appears to have experienced little difficulty in controlling labour.⁵⁵

Supply and quality (namely, education and training) were, however, a problem. Eisenberg, in his work on São Paulo captures the concerns of modernizing employers as does Libby writing on Minas Gerais. By the late 1870s, the effective end of the internal slave trade and the rapid westward movement of the coffee frontier triggered by the railway boom earlier in the decade heightened fears of a general labour crisis on the *planalto*. Similar concerns—possibly a reflex of developments in the new coffee districts—were expressed by businessmen engaged

⁵³ C. Jones, *loc. cit.*, writing on banking and finance in the Argentine demonstrates illustrates what may be achieved. Most work on utility companies, however, tends to deal with the issue of finance as a technical or social issue and does not always adequately address organizational implications thoroughly, see C. M. Lewis, "The financing of railway development in Latin America", *Ibero-Amerikanisches Archiv*, IX, 1983; Azevedo Marques de Saes, *A grande empresa*, *op. cit.*

⁵⁴ D. Guy, "La industria argentina", *op. cit.*; M. B. Levy "The brazilian public debt", *op. cit.*

⁵⁵ T. E. Skidmore, "The historiography of Brazil, 1889-1964, part II", *HAHR*, LVI, 1, 1976, p. 85. For an informative collection of edited documents on the history of organized labour and relations between workers and employers, see the two volume compilation, P. S. Pinheiro and M. Hall, *A classe operária no Brasil: documentos (1889-1930)*, vol. I, *o movimento operário*, São Paulo, 1979; *A classe operária no Brasil: documentos (1889-1930)*, vol. II, *condições de vida e de trabalho, relações com os empresarios e o Estado*, São Paulo, 1981.

in manufacturing and mining in up-country zones.⁵⁶ Planters and industrialists during the 1870s and beyond were anxious to increase the supply of diligent workers. Solutions were rarely uniform but the language of the contemporary debate displayed a preference for immigrant labour which was regarded as vastly superior to the home-grown variety. But access to immigrant labour was almost exclusive to the coffee districts. Elsewhere employers were forced to draw workers from the subsistence sector and/or rely on coerced labour although the internal slave trade had tended to drain slaves from the towns and non-coffee regions to São Paulo. Consequently, training and the inculcation of “modern” habits of reliability and regularity and of communal living and collective discipline had to be confronted by many employers. Giroletti’s study of a textile mill in Minas provides an example of how these problems were conceived and resolved as do the excellent monographs by Libby.⁵⁷

The debate about labour in the Argentine was quite different but there were shared characteristics. During periods of boom, the late 1880s, around 1910 and the mid-1920s, employers complained of difficulties in recruiting and retaining labour. By the turn of the century, there can be little doubt that in the pampean zone, there was a highly integrated labour market. Historians of immigration, wages and the labour movement provide evidence which points to labour mobility based on access to market information, growing organizational confidence and a quest for social improvement.⁵⁸ While some scholars depict repression and violence—police attacks on strikers, the deportation of agitators, restrictions on immigration and the *semana trágica*—as typifying the response of state and employers to working class pressure, less is known about how individual firms responded to tightness in the labour market.

Securing workers was not, however, the only problem. Access to skilled personnel—including managers—and equipment were further barriers that had to be overcome by pioneer firms. Procurement overseas and the adaptation of managers and machines to the local environment presented the most feasible short-to-medium-term solution before technology/skill transfer might promote a growth of indigenous supply. For the nineteenth century, Vaz writing on the cotton textile

⁵⁶ Eisenberg, *A mentalidade*, op.cit.; Lewis, *Railway building in São Paulo*, op.cit.; D. C. Libby, *Transformação e trabalho em uma economia escravista: Minas Gerais no século XIX*, São Paulo, 1988, and *Trabalho escravo e capital estrangeiro no Brasil: o caso de Morro Velho*, Belo Horizonte, 1984.

⁵⁷ D. Giroletti, *Fábrica: convento e disciplina*, Belo Horizonte, 1991; Libby, *Transformação*, op. cit., and *Trabalho escravo*, op. cit.

⁵⁸ The best recent studies on Argentine labour during the period are: D. Armus, *Mundo urbano y cultura popular: estudios de historia social argentina*, Buenos Aires, 1990; Adelman, *Essays*, op.cit. On immigrants and labour, see also, R. Munck, “Cycles of class struggle and the making of the working class in Argentina, 1890-1920”, JLAS, XIX, 1, 1987; G. Germani, “Mass immigration and modernization in Argentina” in I. L. Horowitz (ed.), *Masses in Latin America*, New York, 1970; F. Devoto and G. Rosoli, *La inmigración italiana en la Argentina*, Buenos Aires, 1985. For a direct discussion of wages, see Cortés Conde, *El progreso*, op. cit.

industry, Giroletti on turnpikes and Mattoon on locally financed railways in São Paulo detail the extent of these difficulties. The availability of modern technology and qualified machinists and middle management was critical. However, as Eakin demonstrates, the diffusionist function of highly successful individual enterprises could be limited. Offering evidence from a british-owned mining company, he shows how even dynamic firms could adapt to the local political economy, tailoring needs to brazilian circumstances rather than serving as a vector for widespread capitalist modernization or a model for corporate reorganization.⁵⁹ Clearly the prospects for technological and administrative transfer were much more problematic in the mining than in the transport sector. Additional, similar studies are required.

Market knowledge and distribution constitute yet another area that deserves the attention of business historians. Documents from the nineteenth century demonstrate how entrepreneurs were constantly exercise by sudden changes in demand and the threat of competition. In Brazil and in the Argentine before 1899 movements in the exchange rate driven by the volume or price of exports or occasioned by monetary policy could influence the availability of imports; cycles of railway building might open up new domestic markets or introduce the threat of competition from overseas or from neighbouring towns or provinces; the state of the harvest directly affected local purchases. For much of the nineteenth century, businesses complained of inadequate means of transport. This implied considerable barriers to entry into an industry and possibly fostered oligopoly. However, most firms tended to complain about the need to hold large stocks (of raw materials or finished items) and of imperfect systems of distribution. Producers were often prey to middlemen who supplied essential inputs or handled onward sales to retailers. In a capital hungry environment, few enterprises possessed the funds to integrate backwards or engage in direct trading. *Fazendeiros* and *estancieros* might possess sufficient financial resources to invest substantially beyond central productive activities or could mobilize the state to act to resolve production bottlenecks and construct a more favourable operating environment while companies that enjoyed access to external finance such as Graham's Rio Flour Mills, Guy's sugar producers or Alpargatas Argentinas could surmount these difficulties. But how did other firms cope?

Finally, business historians need to devote more attention to employer organizations and business pressure groups. By the end of the nineteenth century, regional and national associations of planters, traders and even manufacturers existed in most latin american countries. Not always as politically powerful as they would have wished, these bodies became important *sóra*. They served as pressure groups, mechanisms for the dissemination of technical information and engaged in various forms of sectoral promotion. Eisenberg's work on *paulista* coffee *fazendeiros* and

⁵⁹ Eakin, *British enterprise*, op. cit.

Szmrecsanyi's on the sugar sector demonstrated what may be achieved. However more research is required in this field where the argentinian literature is probably stronger than the brazilian.⁶⁰ Additional studies are required of the changing (social and sub-sectoral) membership of business organizations, internal and external rivalries and the precise impact of their influence upon state policy.

CONCLUSION

Particular themes in the economic historiography have hitherto set the agenda for much of the research into business history, not least because many general texts can be mined by students of business history. Entrepreneurship, the origin and chronology of industrial expansion, the political economy of coffee in São Paulo and the generally sluggish performance of the brazilian economy for the first part of the nineteenth century have influenced the discourse. Similarly, the argentinian agenda has been set by over-arching themes, for example, the dynamics of frontier movement and the political economy of pampean export agriculture. Intellectual currents in the social sciences such as *cepalismo* and dependency have also had an impact. Perhaps the most fruitful consequence of the interaction between business history and broad interpretive trends in other branches of the discipline has been the stimulation of empirical, micro-level research. In Brazil, this process may not be unconnected with the substantial, general economic changes that have taken place in the last few decades. Rapid growth from the late 1960s to early 1980s profoundly altered the economic configuration of the country. Urbanization, industrialization and the transformation of corporate structures were among the most obvious consequences of that growth along with a substantial expansion in

⁶⁰ J. and L. Newton, *Historia de la sociedad rural argentina*, Buenos Aires, 1966, offer a fairly traditional, descriptive informative account of the growth and composition of the principal cattlemen's organization. Arguably, the pioneering work of J. L de Imaz, *Los que mandan (Those who rule)*, Albany, 1970 remains the classic study although considerably extended by J. Schvarzer, *Empresarios del pasado: La Unión Industrial Argentina*, Buenos Aires, 1991, which present a clear analysis of the changing composition of the membership of the industrial association and explores the impact this had on the structure and role of the organization or L. Mazetti, "The evolution of agricultural interest groups in Argentina", *JLAS*, XXIV, 3, 1992, pp. 585-616, and R. Martínez de Nogueira, "Las organizaciones corporativas del sector agropecuario: notas para un ensayo interpretativo de sus comportamientos", *CISEA*, X, 1985. See also, P. Goodwin, "Anglo-argentine commercial relations: a private sector view, 1922-43", *Hispanic-American Historical Review*, LXI, 1981 on the Buenos Aires British Chamber of Commerce, and C. M. Lewis, "Immigrant entrepreneurs, manufacturing and industrial policy in the Argentine, 1922-28", *Journal of Imperial and Commonwealth History*, XVI, 1, 1987 and M. I. Barbero, "Grupos empresarios, intercambio comercial e inversionistas italianos en la Argentina: el caso de Pirelli (1910-1920)", *Estudios Migratorios Latinoamericanos*, V, 15-6, 1999, pp. 311-41. For Brazil, see the trail-blazing work of B. Weinstein, "The industrialists, the State and the issues of worker training and social services in Brazil, 1930-1950", *Hispanic American Historical Review*, LXX, 3, 1990, pp. 379-404. See also E. Ridings, *Business interest groups in nineteenth century Brazil*, Cambridge, 1994.

higher education. Several businesses which survive from an earlier period are now anxious to promote the study of their origin. In so doing, brazilian companies may be following an example set by state institutions or quasi-official and semi-private bodies such as the Instituto de Planejamento Economico e Social and the Fundação Getulio Vargas which had already began to collate and reconstruct macroeconomic time series and assemble qualitative social data for the nineteenth and early twentieth centuries. By contrast, economic crisis, political decomposition and the decimation and fragmentation of research in the Argentine from the 1950s to the 1980s have obviously had an adverse effect on scholarship, particularly in the social sciences, notwithstanding the pioneer work of the Instituto (now Universidad) Torcuato Di Tella and later centres such as CISEA and CEDES.

The way forward is clear. Further work is required in areas such as management structures and corporate organization. For many regions and sectors there is still ample opportunity for research on individual entrepreneurs. Labour and the organization of production should also continue to command attention. Finance and relations between business and local sources of finance or world capital markets is almost an unexplored field. More systematic research is also required on the entrepreneurial role of the brazilian government —both national and regional— during the pre-second world war period. Existing studies hint at the critical role of the state in promoting individual companies in the textile, mining and transport sectors. Did government aspire to a gerschenkronian role? Indeed, why was the brazilian state more successful than the argentinian in performing this function and in establishing a more dynamic relationship with the business community? Perhaps —with additional case-study research— there will be an opportunity for further generalization and new contributions to the theoretical literature.

