Management, competition, acceleration and human rights: either Arsenal, or Plantation, or otherwise?

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Critical analysis of the institutional underpinnings of corporations and firms

- Origin of the modern corporation is related to royal privilege and what we could call today abuse
- Monopoly contract, mainly for trade and overseas trade (Portuguese expansion, and after much of colonial settlements and business up to the 1960s or 1970s)
- Privileged companies or corporations
- Privileged exploitation of resources (plantation from slavery to force labor)
- And all this started before the time of Adam Smith and David Hume
Critical analysis of the institutional underpinnings of corporations and firms

- The issue continues today with:
  - Property rights issues
  - Shareholder value primacy
  - Management main focus on results
  - These are related to other problems such as short-termism
Issue of control in organization (corporations)

- Control in society is old (control and surveillance)
- Same for corporations
- Ex. English East India Company and Dutch East India Company (beginning of XVIth century)
- (These are important cases - legal origins of capitalist corporations)
Issue of control in organization (corporations)

- Portuguese Majestic Companies (privileged companies) of the XVIII centuries
- Double entry accounting introduced in the majestic companies (Royal Oporto Wine Company - CGVAD, companies trading with Brazil, Asia and Africa, from 1756 to XXth century
At the origin of the issue of order (internal order according to an external purpose) are religious orders and organizations such as the one I have just mentioned.

Another very important case is the Arsenal from Veneza (big production site, double entry accounting...
Arsenal

Double-entry accounting - invention attributed to Luca Pacioli (1445-1517)

Less known that he was a Franciscan priest - this is important to understand the success of capitalist organizations

Very active in the forming of the accounting system of the Arsenal in Veneza
### Plantation (first model is São Tomé e Principe)

- Royal privilege;
- Monopoly of production
- Slavery and forced labor
- Model exported to the Americas and Caribbean territories,
- Influenced the Dutch and English expansion into the colonies
- Intricate and complex issue

<table>
<thead>
<tr>
<th>Origins</th>
<th>Plantation</th>
<th>Arsenal</th>
<th>Privileged corporations</th>
<th>State burocrapies</th>
<th>Small organization</th>
<th>Communities</th>
</tr>
</thead>
<tbody>
<tr>
<td>S. Tome</td>
<td>1500s</td>
<td>1104 to 1400s</td>
<td>XIII</td>
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<td>S. Tome</td>
<td>Veneza</td>
<td>XVI</td>
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</tbody>
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<table>
<thead>
<tr>
<th>Accounting</th>
<th>Rudimentary</th>
<th>Double entry</th>
<th>Rudimentary or double-entry</th>
<th>From rudimentary to organized</th>
<th>Rudimentary</th>
<th>Very rudimentary</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Workers</th>
<th>Slaves, workers and corporations of professionals</th>
<th>Hierarchical</th>
<th>Public servants</th>
<th>Workers</th>
<th>workers and voluntaries</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Ownersh</th>
<th>Family based</th>
<th>Politicians and financiers</th>
<th>Sovereigns, aristocracy and merchants and bankers</th>
<th>Collective and family and other forms</th>
<th>Family/small groups</th>
<th>Collective</th>
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</thead>
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Some had soldiers
Human dignity, globalization and human rights

- Legal framework is important but not sufficient
- Other norms and institutions have to be considered
- Self-regulation is a central theme (for teaching, research and service) but not enough in corporations
- But also self-regulation is limited within a narrow scope for action
- Questions about human dignity or human rights are second to shareholder value principle
- Shareholder value principle is equivalent to the privilege of the king or queen (and lenders) in colonies
Conclusions

- Today, even if the notion of dignity is different (democratization) in relation to the past (dignitas) it is a relevant tool to study corporations and business deals (i.e. the land grabbing in Africa)
- Origins of modern corporations are related to also long old trends
- Issue of efficiency (from religious orders to today)
- Competition has emerged more recently as an additional criteria, but does not modify the established rules of the game
Conclusions

- In this context, metrics and assessment of human resources, universities rankings can be understood more deeply.

- Acceleration (Koselleck) is also evident if comparing XVI-XVIII centuries production systems and today.