

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 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 Venezia

	Plantation	Arsenal	Privileged corporations	State bureaucracies	Small organization	Communities
Origins	1500s	1104 to 1400s	XIII	-3000	??	??
	S. Tome	Veneza	XVI			
Accounting	Rudimentary	Double entry	Rudimentary or double-entry	From rudimentary to organized	Rudimentary	Very rudimentary
	Arbitrary	Objective	Issue of control	From arbitrary to objective		
Workers	Slaves,	Workers and corporations of professionals	Hierarchical	Public servants	Workers	workers and voluntaries
			Some had soldiers			
Ownership	Family based	Politicians and financiers	Sovereigns, aristocracy and merchantes and bankers	Collective and family and other forms	Family/small groups	Collective
			ex CGVAD - religious orders			

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