

# BUSINESS

# HISTORY

# REVIEW

VOLUME 84 NUMBER 4 WINTER 2010

EDITORS · Walter A. Friedman and Geoffrey Jones

PRODUCTION MANAGER · Margaret P. Willard

PRODUCTION COORDINATOR · Felice Whittum

*Harvard University*

## EDITORIAL ADVISORY BOARD

Franco Amatori, *Università Bocconi*

Maria Inés Barbero, *Universidad de San Andrés*

Hartmut Berghoff, *Göttingen University*

Mansel Blackford, *Ohio State University*

William R. Childs, *Ohio State University*

Jeffrey Fear, *University of Redlands*

Patrick Fridenson, *École des Hautes Études*

Margaret B. W. Graham, *McGill University*

Per H. Hansen, *Copenhagen Business School*

Gelina Harlaftis, *Ionian University*

Richard R. John, *Columbia University*

Angel Kwolek-Folland, *University of Florida*

Pamela W. Laird, *University of Colorado, Denver*

Kenneth J. Lipartito, *Florida International University*

H. V. Nelles, *McMaster University*

Rowena Olegario, *University of Oxford*

Nuría Puig, *Universidad Complutense de Madrid*

Mary B. Rose, *Lancaster University*

Hans Sjögren, *Linköping University*

Keetie Sluyterman, *Utrecht University*

Susan Strasser, *University of Delaware*

Simon Ville, *University of Wollongong*

Mira Wilkins, *Florida International University*

Jonathan Zeitlin, *University of Amsterdam*

## BOOK REVIEW BOARD

Marcelo Bucheli, *University of Illinois*

Ludovic Cailluet, *Toulouse Social Sciences University*

Stephanie Decker, *University of Liverpool*

Julia Ott, *New School for Social Research*

Werner Plumpe, *University of Frankfurt*

Catherine Schenk, *University of Glasgow*

H A R V A R D | B U S I N E S S | S C H O O L

*Business History Review* is a top-tier refereed journal that seeks to publish articles with rigorous primary research that address major topics of debate, offer comparative perspectives, and contribute to the broadening of the subject. We are primarily concerned with the history of entrepreneurs, firms, and business systems, and with the subjects of innovation, globalization, and regulation. We are also interested in the relation of businesses to the environment and to political regimes.

The *Business History Review* is published in the spring, summer, autumn, and winter by Cambridge University Press for Harvard Business School.

- EDITORIAL OFFICE *Business History Review*, Harvard Business School, Soldiers Field, Boston, MA 02163, USA, Telephone: +1 617 495 1003, Fax: +1 617 495 0594, e-mail: bhr@hbs.edu
- SUBMISSIONS See Guidelines for Contributors on inside back cover. Manuscripts, books for review, commentary, and all editorial correspondence should be sent to Walter A. Friedman, Coeditor (contact details as above).
- PUBLISHING OFFICE Cambridge University Press, The Edinburgh Building, Shaftesbury Road, Cambridge CB2 8RU, UK.
- SUBSCRIPTIONS The 2011 subscription price is US\$187 (£117) for institutions' print and electronic access. The price for individuals is US\$70 (£50). There is a reduced rate of US\$40 (£25) for students, Harvard Business School alumni, and members of the following Associations: Academy of Management, Association of Business Historians, Business History Conference, Business History Society of Japan, Economic History Association, European Business History Association, German Association for Business Historians.

All prices include delivery by air if appropriate, and exclude VAT. EU subscribers (outside the UK) who are not registered for VAT should add VAT at their country's rate. VAT registered members should provide their VAT registration number. Japanese prices for institutions (including ASP delivery) are available from Kinokuniya Company Ltd, P.O. Box 55, Chitose, Tokyo 156, Japan.

Orders, which must be accompanied by payment, may be sent to a bookseller, subscription agent or direct to the publisher: Cambridge University Press, The Edinburgh Building, Shaftesbury Road, Cambridge CB2 8RU, UK, e-mail: journals@cambridge.org; or in the USA, Canada and Mexico: Cambridge University Press, Journals Fulfillment Department, 100 Brook Hill Drive, West Nyack, New York 10994-2133, e-mail: subscriptions\_newyork@cambridge.org. Subscriptions may be obtained on line, but, for a reduced-rate subscription, please contact the publisher directly.

POSTMASTER: send address changes in USA, Canada, and Mexico to Journals Fulfillment Department, 100 Brook Hill Drive, West Nyack, New York 10994-2133; or e-mail subscriptions\_newyork@cambridge.org. Send address changes elsewhere to Cambridge University Press, The Edinburgh Building, Shaftesbury Road, Cambridge, CB2 8RU, UK; or e-mail journals@cambridge.org. Claims for missing issues will only be considered if made immediately on receipt of the subsequent issue.

- RIGHTS AND PERMISSIONS Please contact Linda Nicol, Cambridge University Press, The Edinburgh Building, Shaftesbury Road, Cambridge, CB2 8RU, UK.
- COPYING All rights reserved. No part of this publication may be reproduced in any form or by any means, photocopying, electronic, or otherwise, without permission in writing from Cambridge University Press. Permission inquiries from the USA, Mexico, and Canada should be addressed to the New York office of Cambridge University Press, <http://www.cambridge.org/us/information/rights/contacts/newyork.htm>. Permission inquiries from elsewhere should be addressed to the Cambridge office, <http://www.cambridge.org/uk/information/rights/contacts/cambridge.htm>. Permission inquiries from Australia and New Zealand should be addressed to the Melbourne office, [http://www.cambridge.org/aus/information/contacts\\_melbourne.htm](http://www.cambridge.org/aus/information/contacts_melbourne.htm). Permission to copy (for users in the USA) is available from the Copyright Clearance Center (CCC), <http://www.copyright.com>, e-mail: info@copyright.com. Specific written permission must be obtained for republication; contact the nearest Cambridge University Press office.
- ADVERTISING To advertise in the journal please contact the relevant Advertising Promoter for your area: in the USA, Canada or Mexico: journals\_advertising@cup.org or telephone +1 212 337 5053; in the UK, Europe or rest of the world: ad\_sales@cambridge.org or telephone +44 1223 325083.
- *Business History Review* articles are listed in *ABI/INFORM Global*, *America: History and Life*, *Book Review Index*, *Business Methods Index*, *Business Periodical Index*, *EBSCO Academic Search Premiere*, *EBSCO Business Source Complete*, *Historical Abstracts*, *IBSS*, *Journal of Economic Literature*, *Journal Citation Reports/Social Sciences Edition*, *JSTOR*, *Proquest 5000*, *Proquest Central*, *Social Sciences Citation Index®*, *Social SciSearch®*, and *Standard Periodical Directory*.
- The paper used in this journal meets the minimum requirements of the American National Standard for Permanence of Paper for Printed Library Materials, Z39.48 and is 50% recycled, 10% post-consumer.
- Visit our Web site for further details and current information: [www.hbs.edu/bhr](http://www.hbs.edu/bhr).

# Contents

## BUSINESS HISTORY AND VARIETIES OF CAPITALISM

### ARTICLES

#### “Varieties of Capitalism” Roundtable

Essays by *V. R. Berghahn, Gary Herrigel, Martin Jes Iversen, Cathie Jo Martin, Rory M. Miller, Kathleen Thelen, Richard Whitley, Mira Wilkins, and Jonathan Zeitlin* • 637

*William Lazonick*, Innovative Business Models and Varieties of Capitalism: Financialization of the U.S. Corporation • 675

*Jeffrey Fear and Christopher Kobrak*, Banks on Board: German and American Corporate Governance, 1870–1914 • 703

## NATIONAL BUSINESS SYSTEMS: FOCUS ON THE NETHERLANDS

*Keetie Sluyterman*, Introduction: Changing Business Systems in the Netherlands in the Twentieth Century • 737

*Bram Bouwens and Joost Dankers*, The Invisible Handshake: Cartelization in the Netherlands, 1930–2000 • 751

*Abe de Jong, Ailsa Röell, and Gerarda Westerhuis*, Changing National Business Systems: Corporate Governance and Financing in the Netherlands, 1945–2005 • 773

*Keetie Sluyterman and Ben Wubs*, Multinationals and the Dutch Business System: The Cases of Royal Dutch Shell and Sara Lee • 799

### ANNOUNCEMENTS • 823

### BOOK REVIEWS • 829

*Ian Blanchard*, The International Economy in the “Age of the Discoveries,” 1470–1570: Antwerp and the English Merchants’ World. Reviewed by Jeroen Puttevils • 853

*John C. Burnham*, Accident Prone: A History of Technology, Psychology, and Misfits of the Machine Age. Reviewed by Mark Aldrich • 836

*Martin Chick*, Electricity and Energy Policy in Britain, France and the United States since 1945. *Reviewed by William J. Hausman* • 834

*Andreas Fricke*, Markteintritt und -bearbeitung in der Automobilindustrie: Volkswagen in den USA—Eine empirische Untersuchung auf Basis von Dunnings *Eklektischem Paradigma* [Market Entry and Cultivation in the Automobile Industry: The Volkswagen Company in the USA—An Empirical Investigation Based on Dunning's Eclectic Paradigm].  
*Reviewed by Stephanie Tilly* • 841

*Stephan Haggard and Robert R. Kaufman*, Development, Democracy, and Welfare States: Latin America, East Asia, and Eastern Europe.  
*Reviewed by Juan Carlos Echeverry* • 855

*Matthew Hilton*, Prosperity for All: Consumer Activism in an Era of Globalization. *Reviewed by Nelson Lichtenstein* • 831

*Niv Horesh*, Shanghai's Bund and Beyond: British Banks, Banknote Issuance, and Monetary Policy in China, 1842–1937.  
*Reviewed by Linsun Cheng* • 849

*Bruce A. Kimball*, The Inception of Modern Professional Education: C. C. Langdell, 1826–1906. *Reviewed by Robert R. Locke* • 839

*Luc Marco*, Histoire managériale du Bazar Bonne-Nouvelle: Galeries marchandes à Paris, 1835–1863 [Managerial History of Bazar Bonne Nouvelle: Shopping Arcades in Paris, 1835–1863].  
*Reviewed by Eugénie Briot* • 846

*Kathleen E. A. Monteith*, Depression to Decolonization: Barclays Bank (DCO) in the West Indies, 1926–1962.  
*Reviewed by Stephanie Decker* • 851

*William I. Robinson*, Latin America and Global Capitalism: A Critical Globalization Perspective. *Reviewed by Carlos Dávila* • 829

*Vera Zamagni*, Finmeccanica: Competenze che vengono da lontano [Finmeccanica: Competencies Acquired Over the Long Term].  
*Reviewed by Andrea Goldstein* • 844

## INDEX TO VOLUME 84 • 859

## Contributors

*Volker Berghahn* is the Seth Low Professor of History at Columbia University. His publications pertinent to the theme of this issue include a volume jointly edited with Sigurt Vitols, *Gibt es einen deutschen Kapitalismus? Tradition und globale Perspektiven der sozialen Marktwirtschaft* (2006).

*Bram Bouwens* is researcher and coordinator of commissioned research projects at the Research Institute for History and Culture of Utrecht University (Netherlands). Among the subjects of his research are national business systems and the history of collusive practices.

*Joost Dankers* is associate professor and director of commissioned research projects at the Research Institute for History and Culture of Utrecht University (Netherlands). Together with Bram Bouwens, he is finishing a book on the history of collusive practices, including business-interest associations, cartels, and mergers and acquisitions.

*Jeffrey Fear* is professor of business administration at the University of Redlands, where he teaches international business and strategy. His book *Organizing Control: August Thyssen and the Construction of German Management* was published in 2005. He is presently writing about comparative corporate governance, medium-sized German firms and globalization, and the German variety of capitalism.

*Gary Herrigel* is professor of political science at the College at the University of Chicago. His most recent book is *Manufacturing Possibilities: Creative Action and Industrial Recomposition in the U.S., Germany and Japan* (2010).

*Martin Jes Iversen* is associate professor at the Centre for Business History at the Copenhagen Business School in Denmark. In addition to contributing to the edited volume *Creating Nordic Capitalism: The Business History of a Competitive Periphery* (2008), he wrote *GN Store Nord: A Company in Transition, 1939–1988* (2005).

*Abe de Jong* is professor of corporate finance at Rotterdam School of Management, Erasmus University, and professor of financial accounting at the University of Groningen. Among his research and teaching interests are the history of governance and finance in the Netherlands, capital structure choice, and dividend policy.

*Christopher Kobrak* has worked for ten years at several multinational firms and has taught finance and business history at ESCP Europe in Paris since 1991. His book, *Banking on Global Markets: Deutsche Bank and the United States, 1870 to the Present*, was published in 2008.

*William Lazonick* is professor at the University of Massachusetts Lowell, and he is also affiliated with the University of Bordeaux. His book *Sustainable Prosperity in the New Economy? Business Organization and High-Tech Employment in the United States* (2009) was awarded the 2010 Schumpeter Prize.

*Cathie Jo Martin* is professor of political science at Boston University and chair of the Council for European Studies. She is the author of *Stuck in Neutral: Business and the Politics of Human Capital Investment Policy* (2000) and numerous articles.

*Rory M. Miller* is reader in international business history at the University of Liverpool Management School and joint editor of the *Journal of Latin American Studies*. His most recent publication is *Foreign Firms and Business History in Latin America* (2010).

*Ailsa Röell* is professor at the School of International and Public Affairs at Columbia University and a fellow of the Centre for Economic Policy Research in London. She coauthored a major survey of corporate governance that was recently published in the *Handbook of the Economics of Finance*.

*Keetie Sluyterman* is professor of business history at Utrecht University in the Netherlands. In her book *Dutch Enterprise in the Twentieth Century: Business Strategies in a Small Open Economy* (2005), she examined the history of Dutch business in the twentieth century through the looking glass of business strategies.

*Kathleen Thelen* is Ford Professor of Political Science at Massachusetts Institute of Technology. Her recent book, *Explaining Institutional Change: Ambiguity, Agency, and Power*, coedited with James Mahoney, was published in 2010.

*Gerarda Westerhuis* is postdoctoral researcher at the Research Institute for History and Culture at Utrecht University, where she teaches business history. Her most recent book, *Conquering the American Market: ABN AMRO, Rabobank and Nationale-Nederlanden Working*

*in a Different Business Environment, 1965–2005*, was published in 2008.

*Richard Whitley* is professor of organizational sociology at Manchester Business School, University of Manchester. His recent book *Business Systems and Organizational Capabilities* was published in (2007). He also edited two special issues of *Organization Studies* in 2000 and 2005.

*Mira Wilkins*, professor of economics at Florida International University, is the author, most recently, of *The History of Foreign Investment in the United States, 1914–1945* (2004). Currently, she is preparing the third volume of her history of foreign investment in the United States.

*Ben Wubs* is research fellow and lecturer at Erasmus University in Rotterdam, where he is studying Dutch multinationals and the German hinterland. His most recent book is *International Business and National War Interests: Unilever between Reich and Empire* (2008).

*Jonathan Zeitlin* is professor of public policy and governance at the University of Amsterdam and president of the Society for the Advancement of Socio-Economics (SASE). His book *The Oxford Handbook of Business History*, coedited with Geoffrey Jones, appeared in 2007.

*Editors' correction:* On page 444 of the Autumn 2010 issue of the *Review*, the labels of Figure 1's key were inadvertently reversed. A corrected version of the article is available for download at <http://www.hbs.edu/bhr/>.