

The „Nationality“ of the Company: Historical Approaches to a Possible Paradox

Veranstalter: Boris Gehlen, University of Bonn; Christian Marx, University of Trier; Alfred Reckendrees, Copenhagen Business School; Werner Plumpe, University of Frankfurt am Main

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The nationality of the company as a subject turned up in the 19th century together with the rise of nationalism that saw a peak at the outbreak of the Great War. Since its appearance it never lost its relevance. This is particularly true regarding recent events as Brexit and the latest US presidential election. Therefore, the conference turned to the question of the nationality of the company and started its considerations with the most basic aspect asking: Do companies have a nationality? And if they do, what nationality do they have and how can it be perceived? How do companies relate to society, politics and the nation state? The conference, generously funded by the Fritz Thyssen Stiftung, addressed these questions tracing back to previous discussions within the Arbeitskreis für kritische Unternehmens- und Industriegeschichte, and tried to offer historical approaches to a possible paradox from several perspectives.

In his opening address ALFRED RECKENDREES (Copenhagen) pointed at the multifaceted concept of nationality and the challenge of conceptualizing in regard to the company. Consequentially, the conference would take a broad focus including legal and cultural aspects as well as questions of choice or ascription. Seizing on this thought, the first panel, led by Reckendrees, started with conceptual considerations. STEFAN BERGER (Bochum) and THOMAS FETZER (Budapest) as well as ERIC GODELIER (Paris) argued for a broader understanding of the nationalism/economy nexus. Berger and Fetzer pleaded against a sole focus on protection-

ist government policies. Instead, the corporate context should be assigned greater value since many aspects still remain underexplored. Furthermore, an interdisciplinary approach would strengthen new perspectives and give way to a new field of potential interdisciplinary collaboration. Godelier's argument centred on the concept of nationality. He argued against a narrow definition in a political sense and pleaded for a stronger cultural perspective. To do so, one should value the cultural complexities and their hidden aspects. These steps should be considered as a starting point to reshape research methodologies in Business History. PÅL THONSTAD SANDVIK (Trondheim) and ESPEN STORLI (Trondheim) closed the first panel with the first case study of the conference by searching for the starting point of economic nationalism in Norway. They identified it in the period from the 1890s to the early 1930s when the government strengthened restriction and regulation of foreign ownership to limit companies' market power. Growing nationalism nevertheless saw its limits. At one point in time, the Norwegian government did not sacrifice important export earnings and economic pragmatism triumphed.

The second panel, chaired by BORIS GEHLEN (Bonn), comprised three cases about distinct national and cultural circumstances and their implication for companies. KRISTOFFER JENSEN and ANDERS RAVN SØRENSEN (Copenhagen) asked for the Danish Grundfos company's strategy of history as a resource when going abroad. As the company set up a production site in China, this strategy could not be implemented without resistance since the company's narratives did not work without a broader context specific national history. Consequentially, the authors suggested that communicative strategies should either be globalized, and therefore adaptable to specific national demands, or divided in sub narratives which fit the cultural and national contexts better. Concentrating on narratives, KATRIN SCHREITER's (London) contribution enclosed the only case which took a socialist environment in account. Exemplifying the case of the East German company Deutsche Werkstätten Hellerau (DWH), she argued that firm's survival de-

pended on the capacity to adapt to socio-political circumstances. DWH was able to do this through an integrative strategy of „mixed conformity“. It could mobilize its organizational identity in line with the economic directives of the centralised planning process. After the end of the GDR, the company could use its preserved organizational identity to ensure its survival. A core set of competences and culture now proved to be crucial capabilities. DAVID DE VRIES (Tel Aviv) illustrated in his contribution the presence of the state in business nationalism in the case of the Zionist project in Palestine and the Israeli State building process from the beginning of the 20th century to the 1960s. Focussing on the chocolate and diamonds industries De Vries showed how the pact between the Israeli state and business facilitated the economic recovery of many firms on the one hand and cemented their support in Israeli statehood on the other. When the state finally withdrew from direct involvement, business lost its commitment to state initiated national projects. The formerly successful symbioses lost its vigour.

After a mere European focus, the third panel, led by STEPHANIE DECKER (Birmingham), turned the attention to colonial aspects. PEDRO NEVES (Lisbon) focused on the largest colonial business venture in Angola, the DIAMANG, and asked how foreign direct investment dealt with the challenges of a restricted institutional environment that appeared after the early 1930s. He concluded that multinational enterprises (MNE), such as the presented example, proofed flexible enough to assume appealing forms in different situations which became a strategic asset to adapt to different business environments. Eventually, multinationals become more or less tolerant to political risk and change. SIMON MOLLAN (York) investigated the cases of British mining firms in British ruled Africa and asked for the contribution and the role of corporation to a nation-state, and as a vector of imperialism. When firms started to change domicile in the wake of decolonization in the 1950s, the British government as well as postcolonial governments tried to prevent this move. London wanted to retain taxation and balance of payments whereas

postcolonial governments intended to seek greater control of the enterprises for their own domestic economic policy. The attitude of the corporations itself was characterized by opportunism and signified the footloose nature of capital. These identified developments fitted in the changing mode of international organization in times of decolonization.

The last panel of the first day, chaired by MARTIN LUTZ (Berlin), shed light on the implications of national policy and culture towards a company and vice versa. Analysing the closure of the Swiss Firestone production site in Canton Baselland, SABINE PITTELOUD (Geneva) underlined the importance of the nationality of the company as a legitimizing tool by the different actors. In Switzerland, the narrative of a Swiss labour peace was positioned against the corporate policy of the foreign company and gave way to protests, which were considered illegitimate under regular circumstances. Classical coalitions of the Swiss capitalist system shifted to national ones during this episode. CHRISTIAN MARX (Trier) and BEN WUBS (Rotterdam) turned their attention to the chemical and artificial fibre business. Their case of the German and Dutch companies, VGF and AKU, provided evidence that a national background mattered considerably during the time from the 1930s to the 1970s. In the post-war years it became evident that property relations did not ensure management control of the parent company. The case of AKU's subsidy, the German VGF, showed that the subsidy could refuse to follow headquarters' directives when supported by a local government.

RALF AHRENS (Potsdam) opened the first panel of the second day which again focussed on a European aspect. Investigating the case of Airbus Industries, Ahrens argued for a decisive role of national companies and politics which drove the development and production of the Airbus aircraft business. European integration in this case proved itself the cooperation of national companies and politics to protect national industries. Economic nationalism therefore adapted to increasing European cooperation. STINA BARRENSCHEEN (Marburg) turned her attention in the second presentation to the national and interna-

tional rationales for the recruitment and training of German managers. She argued that nationality kept an important role. The training of managers was embedded in a national framework of legal regulations that prevented a complete adaptation of American management standards. This constellation resulted in an amalgamation of international ideas in a national setting. In contrast to post 1945 cases TOBIT VANDAMME (Ghent) went back to the times of the first global economy. His Belgium example illustrated how important the flexibility of the concept nationality could be. Under the impression of the first global economy the presented Belgium companies were able to forge a versatile multinational identity and to manoeuvre between its poles. They won a distinct competitive advantage. Vandamme's cases showed that legal nationality was not sufficient for a multinational enterprise. If it wanted to gain access to foreign strategic resources and investment opportunities it had to adapt to national identity in a broader sense that included communication and persuasion. This strategy required a flexible multinational structure, international ownership and a cosmopolitan management.

After having focused on intra-European topics, the seventh panel chaired by Espen Storli turned to a more global viewpoint. CHRISTINA LUBINSKI (Copenhagen) pointed at the aspects risks and political opportunities for the analysis of multinational enterprises. Looking at her examples of Siemens' and IG-Farben's politics towards the Indian market in the interwar period, she suggested that MNEs should be considered as political and economic actors. Both firms were able to recognize and strengthen on their position as political outsiders in British ruled India what proved to be a political and economic advantage. Besides presenting themselves as an alternative to the hegemony of the colonial power, they could profit from the rise of Indian nationalism by developing appropriate political capabilities. The British Empire remained the context of STEPHANIE DECKER's (Birmingham) paper about British multinationals in Ghana and Nigeria shifting the research period to the time after 1945. She asked how firms dealt with major legitimacy challenges, especially in the wage of decolo-

nization. As a result, Decker stated that polycentric management offered clear legitimacy advantages in former colonies and therefore raised their probability of survival. To do so, companies hired and promoted local staff which replaced the former expatriates. The concept of a freestanding company however proved mostly unsuitable to answer the challenges of decolonization.

In the last panel OLIVER KÜHSCHELM (Vienna) and PIERRE-YVES DONZÉ (Osaka) took a European perspective again. Turning their attention to Austrian and Swiss cases they discussed national measures to protect or promote national businesses. Kühschelm asked for the consequences of buy-national campaigns in the 20th century and if they were effective. As a result, he stated that different aspects such as promotion, practices of mobilization, institutionalization and regimes of subjectivities mattered in this process. Only a combination of political, cultural and economic factors would lead to any success. Companies themselves however could barely achieve the desired outcome without broad support, i.e. a raising national awareness. Pierre-Yves Donzé turned his attention to the Swiss watch industry and discussed the significance of the Swiss Made law of 1971 and its impact on the conditions of competitiveness in the global watch industry since the 1970s. He stated that the country-of-origins regulations of 1971 have to be considered as an institutional innovation that supported the industry. However, it proved not to be a long lasting success since the changing global competition undermined its intended effects.

In sum, the contributions answered the question if companies do have a nationality in the affirmative. Looking at this result in detail however, the question of how nationality can be perceived lead to diverse findings as BORIS GEHLEN (Bonn) stated in his final remark. It became clear that the nationality of the company is closely connected to context. Looking at it as an economic issue, nationality can be perceived as a resource. If one takes a cultural perspective, nationality functioned as a legitimizer or as a discourse. Furthermore, time played a crucial role since the concept of nationality and its perception proved not to be static. Following the conclusion of many

contributions, the conference pointed to the opportunities and the productivity of putting the nationality of the company in perspective which prepares the ground to and demands for more promising research.

Conference overview:

Welcome address: Werner Plumpe (Frankfurt am Main) / Boris Gehlen (Bonn)

Alfred Reckendrees (Copenhagen): Introduction: The „Nationality“ of the Company: Historical Approaches to a Possible Paradox

Panel I

Chair: Alfred Reckendrees (Copenhagen)

Stefan Berger (Bochum) / Peter Fetzter (Budapest): Beyond ‘economic nationalism’: reflections on the nationalism/economy nexus and implications for studying the ‘nationality’ of companies

Eric Godelier (Paris): The Corporate Nationality: A Question of Culture and Community?

Pål Thonstad Sandvik / Espen Storli (Trondheim): Creating a national identity? The issue of nationality in the energy-intensive industries in Norway, 1890–1940

Panel II

Chair: Boris Gehlen (Bonn)

Kristoffer Jensen / Anders Ravn Sørensen (Copenhagen): Ethnocentric uses of history – a Danish multinational in China

Katrin Schreiter / Davide Ravasi (London): Nationalisation and firm identity evolution in socialism: The case of Deutsche Werkstätten Hellerau in the GDR and beyond, 1945–1996

David De Vries (Tel Aviv): Capitalist Nationalism and Zionist Nation-Building in British-Ruled Palestine

Panel III

Chair: Stephanie Decker (Birmingham)

Pedro Neves / Álvaro Ferreira da Silva (Lisbon): The paradox of the nationality of capital in a colonial context: economic nationalism and foreign investment in Angola (1920–1974)

Simon Mollan / Kevin Tennent / Billy Frank (York): Nationality and domicile in international business: evidence from „British“ overseas firms

Panel IV

Chair: Martin Lutz (Berlin)

Sabine Pitteloud (Geneva): The Firestone Case. American Management vs. Swiss Labor Peace?

Christian Marx (Trier) / Ben Wubs (Rotterdam): The impact of nationality on corporate governance: The case of the Dutch-German AKU/VGF/Akzo, 1920s to 1970s

Panel V

Chair: Christian Marx (Trier)

Ralf Ahrens (Potsdam): The Importance of Being European: Airbus and the West German Aircraft Industry, 1960s to 1980s

Stina Barrenscheen (Marburg): From Nationalization to Internationalization – or vice versa? The changing of requirements for managing positions in German Companies 1949 to 1990

Panel VI

Chair: Boris Gehlen (Bonn)

Tobit Vandamme (Ghent): National identity as a strategic resource for multinational entrepreneurs from Belgium in the First Global Economy (c. 1870–1914)

Panel VII

Chair: Espen Storli (Trondheim)

Christina Lubinski (Copenhagen): Shades of Foreignness: German and British Commercial Rivalry in Colonial India (1890s to 1940s)

Stephanie Decker (Birmingham): Losing, repairing and maintaining organizational legitimacy: British multinationals in Ghana and Nigeria 1945–1970

Panel VIII

Chair: Christina Lubinski (Copenhagen)

Oliver Kühschelm (Vienna): Buy national campaigns. Harnessing national sentiment on behalf of profits and the common good

Pierre-Yves Donzé (Osaka): The Nationality of an Industry: „Swiss Made“ law and global competition in the watch business since 1970

Concluding remarks and concluding discussion

Boris Gehlen (Bonn)

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