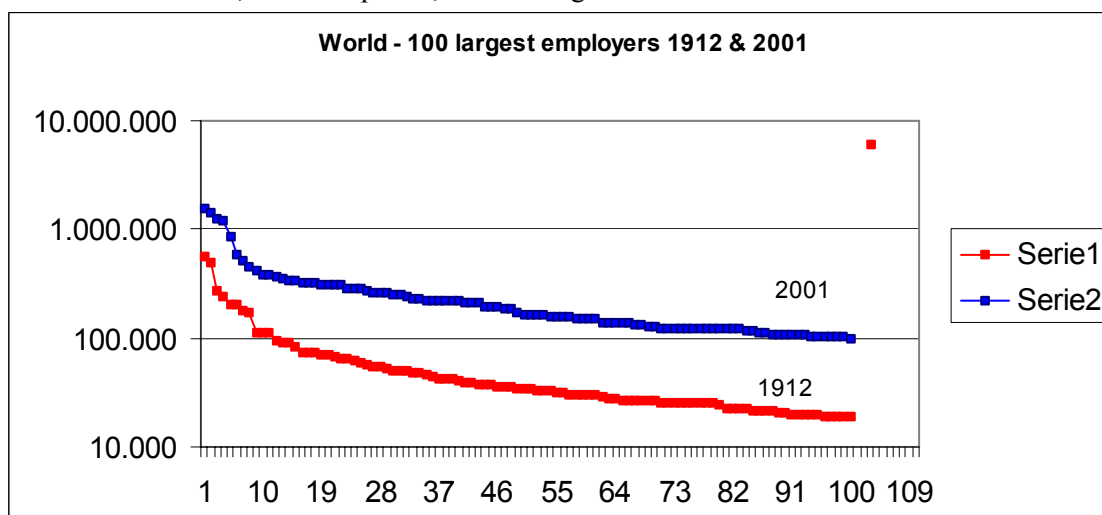


## From Industry to Services; Or from Services to Industry and back again? Peter Wardley (UWE, Bristol and UPF, Barcelona)

The history of 'Big Business' over the last hundred years has been one of the most important and obvious features of human development. However, while the major firms which appear to dominate the contemporary global economy are very familiar to us, the process of long term development which produced the world's current corporate giants remains largely uncharted. The conventional story which dominates the discipline of business history narrates the emergence and consolidation of 'Big Business' by concentrating on enterprises in the industrial sector or, as it is defined by Alfred Chandler's terminology, the 'Large Industrial Corporation' (Chandler: 1962, 1977, 1990).

As this paper demonstrates, the large manufacturing company is not the typical representative of the large enterprise taken *en masse*, and still less representative is the multidivisional industrial enterprise, let alone the US-domiciled multidivisional enterprise. Missing from this analysis are the manifold firms engaged in varied service-sectors activities which were equally essential to the dynamics of modern capitalist development. Also conspicuous by their absence are the state enterprises which have played vital economic roles in both capitalist and communist economic systems. Likewise, non-survivors, now defunct and vanished, deserve recall (Hannah, 1999).

The paper also addresses fundamental quantitative aspects of the emergence and consolidation of 'Big Business', including the relative size, sectoral composition and geographical distribution of the world's largest firms. Here there are some surprising results. For example, it would be all too easy to over-dramatise the relative growth of 'Big Business' during this period: while the growth of employment at the world's 100 largest enterprises grew by a factor of 3.75 (from 6 million workers to 25 million workers), the world's population grew by a factor of 4.2 (from 1.6 billion to 6 billion). By this measure, the relative importance of 'Big Business' fell over the long run – even before the economic blizzard of the last two years saw large companies shed labour in sometimes drastic, if not desperate, cost-cutting exercises.



There is a complex and different story to be told here. As recent research has clearly demonstrated, the large capitalist enterprise, and its associate, the large state corporation, had developed before the end of the Victorian era and reached a level of maturity before the Great War (Wardley 1991, 1999, 2000). In this setting, not only does the rather late development of the American industrial company, the subject of Chandler's close scrutiny become apparent but analysis of the full spectrum of economic activity, to encompass the services and agricultural sectors, sheds new light on the development of the large company, 'Big Business', in all its manifestations. In so doing, this paper offers a comprehensive reinterpretation of the development of modern capitalism, its institutions and its historical significance.