

THE UNIVERSITY OF READING
DEPARTMENT OF ECONOMICS

Discussion Papers in Accounting

Series D

No. 54

The Very Idea of Theory in Business History

by

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THE VERY IDEA OF THEORY IN BUSINESS HISTORY

ὁδὸς ἀνω κατω μία καὶ ὠντη¹

Introduction

In early 1936, what was to become one of the most famous poems in the English language of the twentieth century, T.S. Eliot's 'Burnt Norton', was first published (in a summation of earlier work, *Collected Poems 1909 - 1935*). The well-known opening lines are:

Time present and time past
Are both perhaps present in time future,
And time future contained in time past.
If all time is eternally present
All time is unredeemable.
What might have been is an abstraction
Remaining a perpetual possibility
Only in the world of speculation.
What might have been and what has been
Point to one end, which is always present.

If, arguably, Eliot's conflation of times in these and later lines was just an expression of the creativity of time, then it is the case that our interpretation of that expression is coloured by a temporal irony. 'Burnt Norton' was, it appears, originally conceived as a single poem. In 1940 Eliot drafted a second poem, 'East Coker', which he described as a successor to 'Burnt Norton' - a poem which, among other things, continues the temporal

theme 'in stressing historical continuity at a time when (in 1940), it seemed to be most threatened' (Ackroyd, 1985)² - and this was followed in turn by two further poems, 'The Dry Salvages' and 'Little Gidding'. The four poems together formed a quartet - four quartets - whose sequence and content provided a subtle application of poetic imagination to the notions of the four elements and four seasons.

The temporal irony here consists of the idea that Eliot's play with time in 'Burnt Norton' is echoed in our appreciation of the poem's significance as a single poem and as part of a later larger work. The year 1936, time present for the publication of 'Burnt Norton', becomes time past for 'Four Quartets'. Time present and time past are both (perhaps) present in time future. Time future, in the shape of the 'Four Quartets', is contained not only in what has been, 'Burnt Norton', but is also only one case of what might have been.

Time is of the essence for business historians, as for all historians. Ostensibly, historians write about the past, but their relationship with time present and future is not unproblematic. Historians have to deal with a double contingency in their writings. They write about events, people and institutions which are historically contingent but those writings themselves are contingent upon the time when they are written. There are no final writings about the past, not just because there exists the possibility of the emergence of new documents, new evidence, but more importantly because the past will receive new interpretations in time future through the relationship that past events have with future events: 'In effect, so far as the future is open, the past is so as well' (Danto, 1985).³

This central simple point - that history written is, in principle as well as in practice, corrigible - is perhaps one reason, among many, why some historians in general, and some

business historians in particular, show an instinctive caution in responding to calls for theory in their discipline. If the past is imbued with significance only through its relationship to the future of that past, then the role of theories which transcend time is, at least, a puzzling one.

As recently as 1995 Jones⁴ was arguing for more theory to be incorporated into the work of business historians, a view which echoed earlier suggestions that business history research was largely deficient in theoretical insight and advance (Church, 1976⁵; Hannah, 1988⁶; Slaven, 1984⁷; Harvey, 1989⁸; Lee, 1990⁹; Harvey and Jones, 1990¹⁰). It is a measure of how rapidly the discipline is changing that more recent commentators can testify to the impact that theoretical concerns are having on business history. Thus, for example, Godley and Westall¹¹ (1996) suggest that ‘The days when business history could be discounted as no more than a series of pragmatic case studies, unrelated to any theoretical framework, are gone’. And Scranton¹² (1996) has emphasised the increasing references to ‘theory’ in the business history literature.

This penetration of theory into business history is not without some resistance and this paper aims to explore the relationship of theory to the discipline, an exploration which starts with a consideration of the nature of that discipline itself. From there, a quartet of theoretical perspective is examined: the postmodern turn to historiography and its implications for business history research; the relationship between business history and social science theories; the calls for theory in business history; and the theoretical claims of the narrative tradition in the discipline. The central argument of the paper is that whilst business history can make use of theoretical constructs in time present to illuminate and

focus, business history is, simply, a branch of history and should be acutely sensitive to the complexities of Rankean view that we should tell it '*wie es eigentlich gewesen*'.¹³

The Business of Business History

'What is business history?' was the title of an article published some thirty five years ago (Cole, 1962).¹⁴ In the paper the author expressed a certain testiness with 'the confusion ... which continues to surround the concept of business history' (p.3), a testiness which became focused on the concept of business itself. If there is no longer confusion about the nature of business history, there is, at least, still some debate. Wilkins¹⁵ (1988), for example, in charting her own development as a business historian, felt it necessary to make an eloquent plea for the special integrity of the discipline. A similar concern for the integrity of business history was mockingly expressed by Galambos¹⁶ (1995) in his call for business historians to be 'smart and clever monopolists'.

Without embarking on a metaphysical quest for the essence of business history (for, as Mathias¹⁷ (1993) points out, 'The conceptual identity of business history is elusive'), it does seem possible to identify two central definitional stances towards the discipline, stances which might prove helpful in exploring the relationship of theory to business history.

1. The stance from separability

One way of getting some purchase on the subject of business history is to suggest that it is, in principle, separable from other disciplines with the separability being expressed in saying what it is not. Thus Wilkins (*idem*, p.1):

‘Our field is not economic history, not the history of an industry, not business biography, not social history; it is business history and as such requires specialised, although *never narrow*, attention’.

Of course, this stance of defining through the negative can be finessed by a positively defining view. Indeed, Wilkins goes on to affirm, in the same article, the view that ‘the origins, growth and performance of business as an institution’ (p.5) are constitutive of the discipline.

Others might argue with Wilkins about the separability of business history from economic history. Cipolla¹⁸ (1991), for example, while he denies that there is any ‘systematic merger’ of business history with economic history, does suggest that the former is a branch of the latter. In fact, he goes further than this by arguing for a ‘parallelism’ between the branches of economics and economic history: the parallel to macroeconomics is general economic history; the counterpart of econometrics is cliometrics; and microeconomics is matched to business history. From another standpoint, Parker¹⁹ (1993) argues that there is ‘a kind of Siamese twin connection’ between economic history and business history and that business historians are well placed to achieve a synthesis of a new socio-economic history. In another vein, Galambos²⁰ (1991) makes a plea against the specialisation of historians and the creation of sub-disciplines in economic history, and urges a plurality of vision in historical methodology as well as an integration of business history into the process of (re)constructing American history.

Of course, these views are not irreconcilable but there is something curious about the desire to characterise business history in terms of separability. Such a stance reads

almost as a claim for territoriality, an academic power struggle, and, lurking behind such a stance is, perhaps, an unarticulated claim for a special methodological framework in business history. From suggesting that the subject is separate, it is an easy step to suggest that it needs its own theoretical framework, particularly if it is to match the commanding theoretical heights of economics. Business historians have taken great comfort in, and not a little confidence from, the intellectual achievements of the Chandlerian framework and conceptual apparatus. Might it not then be possible for business historians to develop a general theory of business change and development, perhaps using insights from other disciplines (Jones 1995),⁴ but essentially relying upon themselves to ‘do much of the initial work, without depending on others to construct the synthesis’ (Galambos , 1991, p.6)²⁰?

This argument for separability, and its implicit plea for methodological individualism, perhaps betrays a sense of business history being teleologically challenged. The development of the discipline does appear to be marked by a need to justify to, and be justified by, those external to it. Thus, we have seen implicit justifications for the subject in terms of its practical utility to management education (Church, 1976)⁵ and, at the same time, complaints about the commissioning process in the writing of company histories (Coleman, 1987).²¹

2. The stance from inclusion

Another view of business history can be expressed in the idea, pregnant with tautology, that business history is what business historians do/write. This stance, at first sight trivial, offers its own insights into the discipline. At a simple level, it emphasises a dual aspect of the subject: business history is both a process of inquiry and, also, a discipline whose focus is the reconstruction of historical reality. On this view, business

history needs no extensional definition; its plain meaning can be grasped intensionally through the rich and diverse contributions to the literature.

But if business history is just what business historians write, then our focus could shift to the nature of that writing. In one sense, the business of business history is ‘a discourse about, but categorically different from, the past’ (Jenkins, 1991).²² As a discourse made concrete in written text, we might ask a series of theoretical questions about the discipline. A reflexive concern for the writing of business history is but a mirror of the traditional concern for the written historical records which constitute the bedrock of the discipline. This interplay of writing in time present with the written time past is, or should be, of some interest to business historians. One does not have to take a postmodernist turn to recognise its significance and yet, as will be examined later, theoretical concerns about the textuality of business history are curiously marginalised in the research literature.

These two definitional stances illustrate the significance of theory to business history, an illustration which can be reinforced by a consideration of the emphasis to be placed on the two words which constitute the name of the discipline. Is business history a subject which deals with the *history* of business or does it rather involve the study of *business* over time? At the risk of making a distinction without a difference, one can suggest that differing emphases have consequences for the role of theory in the subject.

At one level, business history can be viewed as the study of business in historical perspective; to take a cue again from Wilkins¹⁵ (1988, p.5): ‘We must always begin with the company and look for patterns (for continuities and discontinuities) in the development

of enterprise'. The focus on business as an institution is clear, and appears unexceptional. But firms and companies are the focus of a number of social sciences, pre-eminently economics, and this raises the uncomfortable issue of the relationship of business history to theories in those social sciences.

An emphasis on the history in the subject reminds us that the discipline is a branch of that larger intellectual enterprise of reconstructing time past in time present. And to make this point is just to indicate that, if business history shares a common focus with some social sciences, then in its epistemologies and methodologies it is at one with mainstream history. It is remarkable that whilst the discipline is infused with theoretical constructs from these social sciences, there are few references to current theoretical concerns of historical enquiry.

A postmodernist business history?

Mention of the word 'theory' in some other branches of history can conjure a variety of extreme reactions, 'regarded by some as a lodestar and by others as a devilish influence' (Scranton, 1996, p.65).¹² For some, theory in historical enquiry is synonymous with postmodernism, that movement which has dominated the intellectual scene in many fields over the last two decades and yet which defies completeness of description. But the inability to capture the postmodernist impulse in description is precisely to express that impulse. The rejection of totalising visions of our social, economic, cultural and historical condition, is a central theme in the postmodern; the 'incredulity towards meta-narratives' of Lyotard expresses exhaustion of the modern. Other themes involving the loss of author-ity, the indeterminacy of meaning in texts, the substitution of performativity for

truth, the migration of focus from word to image, and the loss of faith in progress and the Enlightenment project are, in the hands of postmodern luminaries like Barthes, Baudrillard and Derrida, argued for in a style which is allusive and elliptical or, depending on your viewpoint, obscurantist and irrational.

And yet this powerful intellectual movement has barely touched the discipline of business history. This is a surprise not simply because of the influence generally of postmodernism upon the humanities and social sciences but because of its more singular effects upon historiography and other branches of history. That this effect has been a powerful one is testified to by the admission of the editor of *Social History* that the impact of postmodernism has been to leave the founding optimism of the journal 'in shreds' (quoted in Evans, 1997).²³ And even if the limit of postmodernist influence may have been set with the counter attack of Sokal's hoax (Boghossian, 1996,²⁴ Sokal and Bricmont, 1997²⁵) and in the field of history, with the work of Evans²³, and more controversially, Vincent,²⁶ this is not to say that writing in a postmodern vein has no relevance for business historians.

One feature of the postmodern tide has, arguably, been to make a paradigm shift in historiography from the central concern of finding causes in history (as exemplified by Carr's classic: *What is History?*) to a preoccupation with history as text. The textuality of history, both in the form of the written records used by historians and the very writings of those historians, is self evident. Indeed, some would argue along with Ricoeur²⁷ (who fits uneasily into the postmodern mould) that time past itself is just text and that historians are merely readers. In the hands of proselytizing postmodernists such as Jenkins,²⁸ these insights are used to cast doubt on the integrity of the historical enterprise by arguing that

history is no more than an ‘ideological construct’ (Jenkins, 1991, p.17)²² and that ‘we can never really know the past, ... there are no ‘deeper’ sources (no subtext) to draw upon to get things right: all is on the surface’ (p.47). But we do not need to follow postmodernists like Jenkins and Hayden White²⁹ in their denial of the possibility of objective historical knowledge in order to recognise the importance of a sensitivity to the contexts of historical texts both in time past and present. And a postmodernist emphasis upon plurality of interpretation of those historical texts can be an inspiration for approaches to history which depart from standard positivist attempts to find causes. Postmodernism then acts as a licence for a business historian to break out of prevailing modes of research which just seek to explain why and how businesses change and develop. Instead, it shifts research agendas to encourage the illumination of business practice and records in terms of their historical contexts including the present of that past. This ‘new historicist’³⁰ approach, exemplified by Greenblatt’s work on Shakespeare,³¹ illustrates the interplay of time past, present and future and focuses on the subversive, the marginal and the anecdotal. There is little in the business history literature which adopts self-consciously this perspective on business in the past although Veenendaal’s³² work on literature and financial history in Holland represents an interesting example of a proto-historicist approach.

If one outcome of the postmodernist movement is a sensitivity to historical context, another must surely reside in the interrogation of the writings of historians. The influence of Hayden White’s framework²⁹ for the conceptualisation of a historical work in terms of the primitive elements of traces, chronicle and story, the various non-primitive narrative elements of argument, the modes of emplotment, ideology and trope, has been

considerable. And yet it is hard to find, in discussions of the modes of writing in business history, any recognition of this approach. Past complaints about company histories ‘which are all narrative and without analysis of the issues’ (Coleman, 1987, p.154)²¹ could well be illuminated by a closer attention to the nature of historical writing.

Even if one were to argue that the absence of postmodern currents of argument in business history was just a reflection of an innate good sense on the part of business historians (since postmodernism is just a ‘menace to serious historical study’ [Marwick, 1995, p.5]),³³ there are other puzzles about the absence of historiographical concerns in the discipline. If postmodernism has attracted opprobrium because of its hyperrelativism, it is possible to view the movement as nothing more than a continuation of a historiographical tradition which focuses on the relationships of historians writing in time present to the traces of time past in written historical records. The idealism of Collingwood and Croce, the hermeneutic tradition of Dilthey and Gadamer and, within the social science framework of the *Annales* school, the work of Braudel,³⁴ have all problematised the historian’s relationship with time. In turn, these historiographical concerns have, at times, generated rich and stimulating research agendas. It is, again, hard to find any sense of these traditions in the business history literature. Indeed, it is difficult to find any business history research work which refers to articles published in the key historiographical journal, *History and Theory*.

Even if one could shrug off these concerns by suggesting that a discipline self-conscious in methodology is a discipline in trouble and business history is not in trouble, there remains one further surprise about the relationship of theory to business history. This concerns a cognate discipline, accounting history. This branch of history has felt the

full force of the postmodern movement, particularly in the use of Foucauldian analyses and the development of ‘critical accounting’ perspectives upon the past. There may be many reasons why accounting has taken a postmodernist turn (Moore, 1991)³⁵ but what is undeniable is the richness of this intervention in the research literature. And that richness is not simply a dialogue of the deaf between the ‘new accounting history’ (Miller *et al.*, 1991)³⁶ and more traditional positivist research. Recent work has shown that it is possible for creative dialogues to develop (Fleischman, Hoskin and Macve, 1995).³⁷

The puzzle here is why, despite there being a ‘neighbourly relationship’ (Mathias, 1993)¹⁷ between accounting and business history, a relationship evidenced in the existence of the journal *Accounting, Business and Financial History*, there has not been a creative debate between postmodern and critical and traditional empirical approaches to business history. A long literature on the utility of company financial statements to business historians (and attendant warnings as to the nature of accounting practices in the past) exists (Arnold, 1995).³⁸ However, it is rare to find any sustained review of developments in the historiography involved in accounting history in published business history research. Typical of business historians’ attitudes to the ferment in accounting history is the throwaway injunction in Gourvish’s defence of the traditional case study³⁹ (a defence which, ironically, in its plea for *petits récits* and its questioning of the role of social science theories, mimics a postmodernist stance):

Note, for example, the article by Peter Miller *et al.* On ‘The New Accounting History’, which includes references to Hobsbawm, E.P. Thompson, Foucault and Rorty in a discussion of changes in the notion of historical objectivity.

Why, then, are business historians only to note? Why are there these puzzles about business history's resistance to the theoretical concerns of historical enquiry?

Business history and social science theories

For most business historians, mention of the word 'theory' in the context of the discipline is taken to refer to the theoretical perspectives on business provided by social sciences such as sociology and economics. Corley⁴⁰ tracks 'the search [which] would free business history from the connotation of antiquarianism, or being preoccupied with the past for its own sake' (p.55) to a tendency by business historians 'to look for analytical inspiration to sociologists, and most notably to their theories of organisation and bureaucracy' (p.56). He goes on to argue that 'economic techniques appear to have an advantage over those of the other social sciences in squeezing more matter out of business history documents' (p.58) and, using an argument of Solow,⁴¹ suggests a mutually beneficial cross-fertilisation of business history and economics

This line of argument is not untypical of some contributions to the business history literature; it underpins, for example, the approach of Raff and Temin⁴² who stressed the possibilities for the mutual enhancement of business history and economics by engaging in dialogue. Equally, claims for the enhancing effect of historical sociology on business history have also recently been made (Misa, 1996).⁴³

This appeal to theoretical inspiration from the social sciences by mainstream historians is, of course, an old one and even if there has been a reaction to this appeal in the revival of narrative and the history of events, there are still those who see historical explanation in terms of social and economic structures and their causes and consequences

(e.g. Lloyd, 1993)⁴⁴. And the concerns with social and economic change have themselves given impulse to particular forms of historical writing, for example, in the attack by the *Annalistes* on the monopoly status of *histoire événementielle* and their espousal of the analysis of social and economic structures through the lens of *la longue durée*.

What is striking about business history though, is the penetration of the theoretical constructs of economics into the discipline. At one level, this is not surprising since, as indicated earlier, economics and business history do have a common focus. At another level, what is a surprise is the level of deference accorded to economics in recent business history literature. It is commonplace to find references to ‘the fruitful relationship’ between business history and economic theory (Godley and Westall, p.5)¹¹ and the potential for business history to become more ‘scientific’ (Corley, p.55)³⁹ through the use of that theory (or theories). And, of course, there is no doubt that economics has furnished business history with useful theoretical constructs, constructs which themselves have been fed and inspired by the work of business historians, for example, the linkages between transactions cost analysis and the work of Chandler.

Scepticism about the economics - business history relationship has, however, been far more muted. This may be, in part, due to the economics or economic history backgrounds of some business history researchers. It may also be due to a sense of respect for the analytical rigour and mathematical techniques of the queen of the social sciences. The few questionings of the relationship have tended to be partial, for example Hounshell, 1991⁴⁵ who raised the issue of the difference in ultimate goals for the economist and historian or Jones, (1996)⁴⁶ who has suggested that the new institutional theory of the firm is ‘simply too ahistorical and too limited to explain all but a small

proportion of business behaviour' (p.21). It is, of course, too easy to point up the strong divergence of approach and methodology between economics and history. Economic theory is ahistorical, rooted in *a priori* analysis, secure in its instrumentalist tradition to focus on prediction (or in an historical context, retrodiction) rather than explanatory realism. The routing of argument from the generalised nature of business to its history works in direct contrast to the historian's argument from the history of business to its nature. Time past for the economist becomes a kind of laboratory for the testing of theories in time present. For the historian, however, time past is no laboratory but, rather, part of a pattern of contingency over time, not a working out of logical necessity.

In themselves these divergences do not matter. What does matter, however, is the spell that the achievements of economic theory may have cast on business history. Economics, despite the snipings of writers such as McCloskey,^{47,48} has maintained a positivist or 'modernist' stance; it has resisted, in mainstream research, the interrogations about itself that have characterised postmodernism. This may be one reason why business history has also resisted those interrogations which have touched other branches of history.

There is one further issue about the influence of economic theory upon business history and this concerns the role of theory itself in the discipline. To this we can now turn.

Theory in business history

The demand for 'theory' by business historians appears to be a common thread in some of the recent literature. Thus Wilkins¹⁵ (p.3) again:

When I found documents in the Ford Motor Company archives on the history of its international operations, I wanted theory. I wanted an analytical framework.

The felt need has, in turn, been complemented by the idea that the discipline would benefit from a ‘theory of business history’ (Corley, p.63)⁴⁰ or that a theoretical base is required for the discipline to advance. Thus Jones⁴ (p.1):

business history is at a strategic point in its development where a willingness to search for generally valid rules will yield exciting rewards.

The demand for ‘valid rules’, for theory, in the discipline may, of course, just be a manifestation of our common craving for generality but it does pose interesting puzzles. What would a theory of business history look like?

Before considering the substance of this question it may be worth looking at its expression. Some economists deal with theories of the firm or, perhaps more generally, theories of business. To use the expression ‘theory of’ is to imply a working out of logical necessity of what it is that explains the subject of that theory, at least on a Hempelian view of theory. It is arguable whether it is possible to construct a theory *of* history although it may be possible to have theories *about* historical change and development. (Perhaps this is the reason why Corley⁴⁰ refers to a ‘theory of business history’ in quotation marks). Furthermore, it is debatable whether economics deals with theory at all, at least on a realist construal of ‘theory’ (that is, that the propositions of a theory, and the entities postulated by that theory, are true or false in virtue of how the world is). This line of argument suggests that economics constructs models, not theories, with the models

showing how something which has happened could have happened by deriving what happened from a set of simplified assumptions which we have no independent reason for believing to be true. These models, conceptual schemes, 'filing systems for organising empirical materials' (Friedman, 1953, p.7),⁴⁹ are then tested rather than judged by their explanatory power. This asymmetry in the focus of economics, with the emphasis on predictive power rather than explanatory realism, is reversed in the case of history. Outside the realm of older 'speculative' theories of history that saw some pattern or design in the events of time past which could be used to predict the course of future human development, it is rare to find modern historians willing to predict outcomes in the future. The search for laws in history which could be used to forecast the future and, in so doing, provide a foundation for social and economic advance, a search associated with writers as diverse as Condorcet and Marx, appears to modern eyes not just hopelessly utopian but, more importantly, a distortion of the historian's enterprise.

If theory is to be imbued with any significance in business history, then its emphasis must be on its power to explain the paths of change and development rather than to predict. And it is a truism to say that business historians use theoretical constructs, both implicitly and explicitly, in their work. But the use of these constructs to explain the past is not, in an important sense, the articulation of theory in history. Callinicos⁵⁰ (1995), for example, has suggested, from a social science perspective, that a theory in history should contain three ingredients: a theory of (social and economic) structure; a theory of transformation, a mechanism by which structures change over time; and a theory of directionality, 'an account of the overall pattern described by the historical process' (p.102) which could take the form of progress, regress or cycle. Such a formulation of the

role of theory in history comes perilously close to a ‘speculative’ view, but it does at least specify an agenda for theory creation.

But if the role of theory in business history is to help to explain time past, then it is important to have some view of what it is that counts as an explanation, some sense of the constitution or structure of an historical explanation.

One long standing view of historical explanation has a theoretical or scientific ingredient, the so-called ‘covering law’ or ‘deductive-nomological’ model. This approach to historical explanation, famously advanced by Hempel, suggests that causal explanation of historical events relies upon the historian using some set of general regularities or uniformities under which a sequence of events in time past can be subsumed. Such a law or ‘explanation sketch’ may be explicit or not, but the attribution of causal relationships between events in time can, on this view, only be outlined in terms of a logical deduction from the ‘law’ in conjunction with a set of empirical observations of those events.

If this view of historical explanation is long-standing, then so too are the criticisms of it. One point, frequently made, is that in history the notion of a ‘covering law’ is problematic. Historians do deal in generalisations from which causal explanations may be derived but these generalisations are not nomothetic, they do not transcend time. Equally, attempts at specifying them often tend either to the potentially vacuous or to the highly particularised, in which case they fail to have the status of generalisations at all.

A second central strand of criticism of this paradigm of historical explanation starts from the standpoint that events in time past are the product of human actions which are not themselves mere events but the expression of often unpredictable reasons and will. These actions may exemplify an ‘unrepeatable particularity’ and require the historian to

explain not just *what* happened but also, in terms of those reasons and purposes, *why* it happened (Dray, 1997).⁵¹ A covering law model of historical explanation, embodying in that law some kind of theoretical proposition, may allow us to explain what has happened (in terms of some set of theoretical constructs), but does not allow an explanation of why human agents acted individually in the way they did. Indeed, it is difficult to see how, on a model of ‘rational explanation’, systematic theory can play any role at all.

Theory and business history narrative

The recently published International Bibliography of Business History⁵² provides a stunning reminder of the ‘richness and diversity of the scholarship which claims to be business history’ (xiii); it also demonstrates the significance of the individual empirical case study of firm and industry as providing the bedrock of that scholarship. The traditional pattern of writing business history has been in the form of a narrative, a systematic description of some historical subject such as a firm, an entrepreneur or an industry within and across national frontiers. Some company histories are quite explicit about their narrative structure, e.g. Reader⁵³ (1970, xii):

The backbone of my narrative is the intricate diplomacy of the international chemical industry ... and what I conceive myself to be writing is political history.

What is the status of narrative in business history? Should business history be ‘much more than a narrative account of individual enterprises’ (Gourvish, p.13)?³⁸ Does it need theory and systematisation to render it more ‘scientific’ and so more capable of being used to test social science theories and models?

The ‘explanation through narrative’ or ‘descriptive explanation’ (McCullagh, 1998)⁵⁴ view of the writing of history has been the subject of considerable debate since it was classically expounded by Oakeshott⁵⁵ in 1933. Oakeshott argued that the writing of history should involve simple yet coherent descriptions of the past and that the explanation of historical change resides in the giving of an account of how that change came to pass:

the only explanation of change relevant or possible in history is simply
a complete account of change. History accounts *for* change, by means
of a full account *of* change ... (p.143)

This initial view of the status of narrative has, of course, been subject to attack from many quarters. One strand of criticism has centred on the concept of explanation invoked here: it is not obvious what the concept entails besides an appeal to intelligibility and coherence. A second strand has focused on what is to count as change, independent of the historian’s narrative. A third, and more obvious, line of attack centres on the idea of completeness in historical accounts. The idea that histories are always incomplete has a long pedigree, as is evidenced by a comment of Descartes⁵⁶ in 1635:

... and even the most accurate of histories, if they do not exactly
misrepresent or exaggerate the value of things in order to render them
more worthy of being read, at least omit in them all the circumstances
which are honest and least notable; and from this fact it follows that
what is retained is not portrayed as it really is ...

It is a commonplace - and it is commonsense - that narrative business historians, like other narrative historians, have to select the events which form their narrative. And those events, and the patterns which the historian traces with them, draw upon his/her

preconceptions of the past. Narratives rely also on periodisation; time is artificially closed out by a selection of a bounded time frame. This temporal enclosure is, of course, necessary, but it points up a break in the historical continuum which is artificial; the narrative is corrigible in terms of the interpretation of the enclosure of time past through the lens of events in the future. A final complaint about narrative goes to the heart of our conceptions of time past: it begs the question of whether that past is itself narratively structured (MacIntyre, 1981).⁵⁷

That narrative history is recognised as epistemologically frail is, perhaps, one reason for the rise of social science-oriented history which emphasises economic and social structures and the processes of change in those structures. The scientism of quantitative history also provides some comfort from the frailty of narrative's objectivity. (A more recent response to that frailty has, as indicated earlier, been the postmodern questioning of the possibility of any objective knowledge about time past.)

Surprisingly, then, recent years have seen the concept of narrative history 'making a comeback' (Burke, 1991).⁵⁸ This comeback was famously noted by Stone in his seminal article 'The Revival of Narrative: Reflections on a New Old History'.⁵⁹ Stone argued that in the 1970s a major shift had occurred in the way that history was conceived. The view, prevalent in social science history, that 'a coherent scientific explanation of change in the past' (p.19) is possible, began to lose ground. Instead a view had emerged amongst practising historians that a return to narrative forms of historical writing was required, forms which emphasised the experiences and cultures of individuals and groups as a focal point for narrative. History was no longer to be seen as some grand process of change and development to be analysed by using the anonymous and impersonal constructs of the

social sciences, but was increasingly viewed as being plural, histories, stories geared to the experiences of individuals. E.P. Thompson's *The Making of the English Working Class*⁶⁰ prefigured this approach with its famous aim of rescuing 'the poor stockinger ... the 'obsolete' hand loom weaver ... from the enormous condescension of posterity'.

Iggers (1997)⁶¹ has recently charted this loss of faith in social science history and in the attendant belief in a coherent historical process focusing on modernisation and progress. He tracks also (as does Burke⁵⁸) some of narrative history's responses to this loss of faith.

One set of responses has been associated with the Italian practitioners of *microstoria* (microhistory) - 'the reduction of the scale of observation, on a microscopic analysis and an intensive study of documentary material' (Levi, 1991).⁶² Key writers in this microhistory approach have, it seems, reacted against the macrohistory of, say, Marx to generate a form of historical narrative which focuses on the local, the lived experiences of individuals operating in particular cultures (to this extent the approach has affinities with a Geertzian anthropological methodology). However, at the same time there is a commitment to rigorous empirical methods, albeit leavened with an explicit role for the historian in the narrative.

Another strand of narrative response can be found in the work of some German historians such as Medick⁶³ who form part of the *Alltagsgeschichte* (everyday history) movement. This programme for narrative history again rejects traditional social science theory and celebrates the interpretative role of history, a role which focuses on popular culture and the experiences of individuals in it. More than for the practitioners of

microstoria, it uses the Geertzian idea of ‘thick description’ to study the subjectivity of individuals in time past.

To mention these programmes of narrative history is just to indicate the research possibilities for the discipline of business history. The interplay of the lived experiences of individuals and groups working in business in time past, their local cultures and their patterns of everyday life, offer an interesting research agenda. And to make this point is not to suggest that the writing of these histories is in any way ‘unscientific’. The traditional bedrock of historical scholarship, the method of *Quellenkritik*, with its rigorous and critical examination of documentary sources, with its emphasis on argument from the evidence, is as ‘scientific’ as the discipline needs.

Conclusions

Business history is both theoretical and in need of theory. Traditional patterns of writing in the discipline are ‘theory all the way down’ (Callinicos, p.76⁵⁰), since they involve the historian’s selection and arrangements of the facts of time past in a narrative. To twist the Quine-Duhem thesis, the interpretations of historians are underdetermined by the historical evidence.

But the threads of argument of this paper have suggested that business history needs theory, not in the sense which is usually implied in the literature, but in a recognition that the discipline has been largely cut off from the theoretical concerns which have touched and inspired mainstream and other branches of history. This may be due to the pervasive, and in some ways dated, influence of social science perspective on history; the dominance of this perspective may, in turn, reflect an implicit teleology for the discipline in

terms of the testing of theories of business. But the discipline is, fundamentally, a branch of history, and as such is primarily concerned with the reconstruction of time past in time present. That reconstruction demands a sensitivity to contingency rather than the universal necessities of theory and the obligation to time future is to tell it 'how it essentially was'.¹³ The reconstruction will, of course, use theoretical constructs, but so, too, can it use modes of argument and perspective far removed from the preoccupation of the social sciences and their anonymous structures and processes.

NOTES

- ¹ 'The way up is the way down, the way forward is the way back' (translated by Morris Weitz in M. Weitz, 'T.S. Eliot: Time as a Mode of Salvation', *Sewanee Review*, Vol. LX (1952)). This epigraph was the second of two taken from a fragment of sayings of Heraclitus which T.S. Eliot used to introduce Burnt Norton. The Heraclitean view that flux is of the essence of nature, that change is the only constant, has a striking resonance with some modern preoccupations with the processes of managerial change and adaptation in business.
- ² P. Ackroyd, *T.S. Eliot* (London, Sphere Books, 1985). Incidentally, Ackroyd misdates the publication of 'Burnt Norton' to 1938 (I am grateful to John Pilling for pointing this out to me).
- ³ A.C. Danto, *Narrative and Knowledge* (New York, Columbia University Press, 1985), p.340.
- ⁴ G. Jones, 'Business History: Theory and Concepts' in M. Davids, F. de Goey and D. de Wit (eds.), *Proceedings of the Conference on Business History, October 1994* (Rotterdam, CBG, 1995).
- ⁵ R. Church, 'Business History in Britain', *Journal of European History*, Vol. V (1976).
- ⁶ L. Hannah, 'New Issues in British Business History', *Business History Review*, Vol. LVII (1983).
- ⁷ A. Slaven, 'The Use of Business Records: Some Recent Trends in British Business History', *Business Archives*, Vol. 49 (1984).
- ⁸ C. Harvey, 'Business History: Concepts and Measurement', *Business History*, Vol. XXXI (1989).
- ⁹ C.H. Lee, 'Corporate Behaviour in Theory and History: I The Evolution of Theory', *Business History*, Vol. 32 (1990).
- ¹⁰ C. Harvey and G. Jones, 'Business History into the 1990s', *Business History*, Vol. 32 (1990).
- ¹¹ A. Godley and O.M. Westall, 'Business History and Business Culture: An Introduction' in A. Godley and O.M. Westall (eds.), *Business History and Business Culture* (Manchester, Manchester University Press, 1996), p.5.
- ¹² P. Scranton, 'The Significance of Spatial Theory for Business Historians', *Business and Economic History*, Vol. 25 (1996).
- ¹³ Richard Evans, in a recent work (R. Evans, *In Defence of History* (London, Granta Publications, 1997), p.17), has pointed out that this famous Rankean expression has frequently been mistranslated. He suggests that it is best translated by 'how it essentially was' - a translation which emphasises the historian's need 'to understand the inner being of the past'.
- ¹⁴ A.H. Cole, 'What is Business History?', *Business History Review*, Vol. 36 (1962). The title of this paper is an interesting echo of E.H. Carr's seminal lecture series of the year before, 'What is History?'
- ¹⁵ M. Wilkins, 'Business History as a Discipline', *Business and Economic History*, Vol. 17 (1988).

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- ¹⁶ L. Galambos, 'US Business History and Recent Developments in Historical Social Science in the United States' in M. Davids, F. de Goey and D. de Wit (eds.), *Proceedings of the Conference on Business History, October 1994* (Rotterdam, CBG, 1995).
- ¹⁷ P. Mathias, 'Business History and Accounting History: A Neighbourly Relationship', *Accounting, Business and Financial History*, Vol. 3, No. 3 (1993), p.253.
- ¹⁸ C.M. Cipolla, *Between History and Economics: An Introduction to Economic History* (Oxford, Basil Blackwell, 1991).
- ¹⁹ W. Parker, 'A 'New' Business History? A Commentary on the 1993 Nobel Prize in Economics', *Business History Review*, Vol. 67 (1993), p.634.
- ²⁰ L. Galambos, 'What Makes Us Think We Can Put Business Back into American History', *Business and Economic History*, Vol. 20 (1991).
- ²¹ D. Coleman, 'The Uses and Abuses of Business History', *Business History*, Vol. XXIX, No. 2 (1987).
- ²² K. Jenkins, *Rethinking History* (London, Routledge, 1991), p.6.
- ²³ R. Evans, *In Defence of History* (London, Granta Publications, 1997), p.6.
- ²⁴ P. Boghossian, 'What the Sokal hoax ought to teach us: the pernicious consequences and internal contradictions of 'postmodernist' relativism', *Times Literary Supplement*, 13 December 1996, pp.14-15.
- ²⁵ A. Sokal and J. Bricmont, *Impostures Intellectuelles* (Paris, Odile Jacob, 1997).
- ²⁶ J. Vincent, *An Intelligent Person's Guide to History* (London, Duckworth, 1995).
- ²⁷ P. Ricoeur, 'Expliquer et Comprendre' in *Du texte à l'action: Essais d'herméneutique, II* (Paris, Éditions du Seuil, 1986).
- ²⁸ K. Jenkins, *On 'What is History?'* (London, Routledge, 1995).
- ²⁹ H. White, *Metahistory* (Baltimore, John Hopkins University Press, 1973).
- ³⁰ This 'new' historicism is, of course, not to be confused with the historicism which was the subject of Popper's famous attack (in *The Poverty of Historicism*). By historicism, Popper was referring to that philosophy of history which suggested that the future could be predicted on the basis of patterns of behaviour identified in time past. New historicism is simply concerned with the significance of historical context to the interpretation of text.
- ³¹ S. Greenblatt, *Shakespearian Negotiations: The Circulation of Social Energy in Renaissance England* (Berkeley, University of California Press, 1988).
- ³² A.J. Veenendaal, Jr., 'Muse and Mammon; Literature and Financial History' in M. Davids, F. de Goey and D. de Wit (eds.), *Proceedings of the Conference on Business History, October 1994* (Rotterdam, CBG, 1995).
- ³³ A. Marwick, 'Two Approaches to Historical Study: The Metaphysical (Including 'Postmodernism') and the Historical', *Journal of Contemporary History*, Vol. 30 (1995).

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- ³⁴ F. Braudel, *The Mediterranean and the Mediterranean World in the Age of Philip II*, translated from the French by Siân Reynolds (London, Collins, 1972-73).
- ³⁵ D.C. Moore, 'Accounting on Trial: The Critical Legal Studies Movement and its Lessons for Radical Accounting', *Accounting, Organizations and Society*, Vol. 16, No. 8, 1991, pp.763-791.
- ³⁶ P. Miller, T.M. Hopper and R.C. Laughlin, 'The New Accounting History: An Introduction', *Accounting, Organizations and Society*, Vol. 16, No. 5/6 (1991), pp.395-403.
- ³⁷ R.K. Fleischman, K.W. Hoskin and R.M. Macve, 'The Boulton and Watt Case: The Crux of Alternative Approaches to Accounting History', *Accounting and Business Research*, Vol. 25, No. 99 (1995), pp.162-175.
- ³⁸ A.J. Arnold, 'Should Historians Trust Late Nineteenth Century Company Financial Statements?', *Business History*, Vol. 38, No. 2 (1995), pp.40-54.
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- ⁴⁵ D.A. Hounshell, 'Comment on 'Business History and Recent Economic Theory' ' in P. Temin (ed.), *Inside the Business Enterprise* (Chicago, University of Chicago Press, 1991).
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- ⁵⁴ C. Behan McCullagh, *The Truth of History* (London, Routledge, 1998).
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- ⁵⁶ *Discourse on Method* in M. Wilson, *The Essential Descartes* (New York, Mentor Books, 1969, p.110).
- ⁵⁷ A. MacIntyre, *After Virtue: A Study in Moral Theory* (London, Duckworth, 1981).
- ⁵⁸ P. Burke, 'History of Events and the Revival of Narrative' in P. Burke (ed.), *New Perspectives on Historical Writing* (Cambridge, Polity Press, 1991).
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- ⁶⁰ E.P. Thompson, *The Making of the English Working Class* (London, Penguin, 1991), originally published by Gollanz, 1963.
- ⁶¹ G.G. Iggers, *Historiography in the Twentieth Century: From Scientific Objectivity to the Post Modern Challenge* (Hanover, Wesleyan University Press, 1997).
- ⁶² G. Levi, 'On Microhistory' in P. Burke (ed.), *New Perspectives on Historical Writing* (Cambridge, Polity Press, 1991).
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