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# What does it mean to study business history, and to what end?

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**Abstract:** Business history functions as a moral balance sheet, documenting humanity's values through markets and economic pricing. This field explores the long-term evolution of the corporation, the role of the entrepreneur, and the shifting definitions of capitalism. While mid-twentieth-century scholarship prioritized large-scale organizational stability, contemporary analysis addresses a «decentralized industrial order» and the political cultures enabling enterprise. In Germany, the discipline shifted significantly in the 1990s toward critical investigations of corporate complicity and ethics during the National Socialist era. Today, as technology disrupts traditional hierarchies, business history transcends narrow organizational studies. By integrating political and cultural insights, it has effectively evolved into a universal history that reflects humanity's broader moral and financial trajectory.

**Keywords:** corporation, entrepreneur, markets, National Socialism, technology

What does it mean to study business history, and to what end? Friedrich Schiller posed that question in respect to «universal history» at the dawn of the modern era, in his inaugural lecture in Jena a few weeks before the storming of the Bastille and the beginning of the French Revolution. His answer to the meaning of universal history («Was heißt und zu welchem Ende studiert man Universalgeschichte?») was to think of that history in terms of a balance sheet, with an explicitly financial metaphor: «The field of history is fruitful and wide-ranging; the entire moral world is expressed in its price. It accompanies humanity through all the conditions it has experienced, through all the changing forms of opinion, through its folly and wisdom, its degradation and ennoblement; it must give an account of everything that humanity has taken and given.»<sup>1</sup>

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1 «Fruchtbar und weit umfassend ist das Gebiet der Geschichte; in ihrem Preise liegt die ganze moralische Welt. Durch alle Zustände, die der Mensch erlebte, durch alle abwechselnden Gestalten der Meinung, durch seine Thorheit und seine Weisheit, seine Verschlimmerung und seine Veredlung, begleitet sie ihn; von allem, was er sich nahm und gab, muß sie Rechenschaft ablegen.» Friedrich Schiller, *Was heißt und zu welchem Ende studiert man Universalgeschichte? Eine Akademische Antrittsrede Bey Eröffnung Seiner Vorlesungen Gehalten*, Jena 1789, in: Schillers Werke. Nationalausgabe: Historische Schriften, Vol. 17/1, Weimar 1970, 359.

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Business history also constitutes a balance sheet, which also carries a whole moral world expressed in a price. And it has a particular role in German history, where the prominent analyst and coiner of the term *Realpolitik* August Ludwig von Rochau announced, just before the Bismarckian unification, that «German unity is not at all a matter of a drive of the nation's heart. Unity is for Germans fundamentally a purely commercial transaction, in which no one wants to lose, but everyone wishes to extract as much as possible.»<sup>2</sup> This interpretative tradition continues. Recently, the German journalist Wolfgang Münchau presented the problematic story of Volkswagen (from Hitler's car to diesel emissions scandal) as the key to understanding the capture of German politics by business.<sup>3</sup> Particularly for Germany, business was central to the national self-image and self-identification.

What is the object of study in that history? Businesses that had a constantly changing organizational and legal form. The age of unification was also the great period of the joint stock corporation, with a new liberal law in Prussia in 1870 removing restrictions on corporate formation, and precipitating a wave of foundations, the *Gründerzeit*. The move set off a wave of institutional innovation. The big new companies operated in a much larger context, with large numbers of small companies, individual businesses, and also in a context of increasingly complex organizational structures. Although some theories thought in terms of increasing concentration, there was always in fact a colourfully diverse habitat, with different sizes and different legal forms, limited liability partnerships (*Kommanditgesellschaft*), as well as limited liability companies (*GmbH*), and large joint stock companies (*Aktiengesellschaft*). Gary Herrigel refers to a «decentralized industrial order».<sup>4</sup> Business history must also be about the legal, political and intellectual culture that allows the creation of enterprises, and about the way that many individuals felt their interests to be represented and reflected in the corporation – or, often, not adequately represented.

In that sense, business history will change just as surely as businesses change. It has changed, and it is changing – fast. Business history today in an age of challenged and faltering globalization means something quite different than at the

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2 «Die deutsche Einheit ist keineswegs eine Sache des Herzensdranges der Nation. Die Einheit ist für die Deutschen im Grunde genommen eine reine Geschäftssache, bei welcher niemand einbüßen will, jedermann hingegen so viel als möglich für sich herauschlagen möchte.» Ludwig August von Rochau, *Grundsätze der Realpolitik, angewendet auf die staatlichen Zustände Deutschlands, Theil II*, Heidelberg 1869, 25.

3 Wolfgang Münchau, *Kaput. The End of the German Miracle*, London 2024.

4 Gary Herrigel, *Industrial order and the politics of industrial change*, in: Peter Katzenstein (ed.), *Industry and Politics in West Germany*, Ithaca 1989, 185–220; Timothy W. Guinnane, *German company law 1794–1897*, in: Harwell Wells et al. (eds.), *The Research Handbook on the History of Corporate and Company Law*, Cheltenham 2018, 170–204.

height of the late 20<sup>th</sup> century globalization surge, which was again unlike the story told in an era of national economies in the mid-20<sup>th</sup> century. Its shape is constituted by different ways of thinking about capitalism, entrepreneurship, and the modern corporation.

## Methods

Thinking about business history involves a reflection on methods, as well as on the substance. Many business historians have been self-consciously, and often destructively, averse to thinking in terms of the logic of economics. The approach can be rationalized: economics, at least in its neoclassical and Anglo-American formulation, is the analysis of markets, of the production, distribution and exchange of scarce goods. Business structures exist primarily as substitutes, second-best solutions when markets do not work. To the extent that economists think about markets, and conceive of business organization as a distortion, they need to be kept neatly away from business history. Businesspeople by contrast dream of overcoming the market and competition, particularly at moments of radical innovation. The prominent German born Silicon valley tech entrepreneur Peter Thiel wrote a book on business life in which he doled out the advice, «Competition can make you hallucinate opportunities where none exist [...] As you craft a plan to expand to adjacent markets, don't disrupt: avoid competition as much as possible.»<sup>5</sup> His tract is in fact a screed against competition, the mechanism that is at the heart of economic thinking:

The answer is that competition is not just an economic concept or a simple inconvenience that individuals and companies must deal with in the marketplace. More than anything else, competition is an ideology – *the* ideology – that pervades our society and distorts our thinking. We preach competition, internalize its necessity, and enact its commandments; and as a result, we trap ourselves within it – even though the more we compete, the less we gain.

It is not just anarcho-libertarians who have a profound scepticism about competition. Modern historians of capitalism frequently express their contempt for the conventional wisdom of economists. Thus Sven Beckert: «Capitalism – to [Adam] Smith's chagrin – found its mainspring not in competition but in the novel and fabulous wealth enabled by state-backed monopolies.»<sup>6</sup>

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<sup>5</sup> Peter Thiel (with Blake Masters), *Zero to One. Notes on Startups, or How to Build the Future*, New York 2014, 40, 57, 35.

<sup>6</sup> Sven Beckert, *Capitalism. A Global History*, London 2025, 147.

The scepticism about economic theory rests on a view of the institutional character of corporations. The modern theory of the firm, as developed by Ronald Coase and Oliver Williamson, thinks of the enterprise as a way of organizing through power relations interactions that would be too complex or small-scale to undertake via trade or exchange: a producer who is uncertain about how to determine the quality of components, to take perhaps the most obvious case, integrates the component suppliers in their factory.<sup>7</sup> A protoindustrial textile entrepreneur of the early modern era would go around many households, bringing supplies and «putting out» the work, which would need to be valued separately on a return journey when the work was collected and payment made. Scaling this up required organization, and – together with the need to employ larger scale machinery – concentration in the factory. The most iconic business history of the 20<sup>th</sup> century appropriately bears the title «Scale and Scope».<sup>8</sup> Power is then a substitute when markets do not work well.

There is one proviso on the disdain of business historians for economics, but it is one that modern economists believe does not really belong within the legitimate confines of their discipline: that is the specifically German school of economics, known appropriately as the *Historische Schule*, that had institutions at its core, and resisted the intellectual power of the marginalist revolution of the third quarter of the 19<sup>th</sup> century, the near simultaneous innovation of Stanley Jevons, Léon Walras and Karl Menger. A great deal of business history, and particularly that with a central focus on the path dependency created by institutional structures – but perhaps economic history in general – derives from the German historical school, which the early pioneers of business history in Britain and North America greatly admired (the first British professor of economic history, George Unwin, who took a new chair in that subject in Manchester in 1910, had made a pilgrimage to Berlin to work with Schmoller).<sup>9</sup>

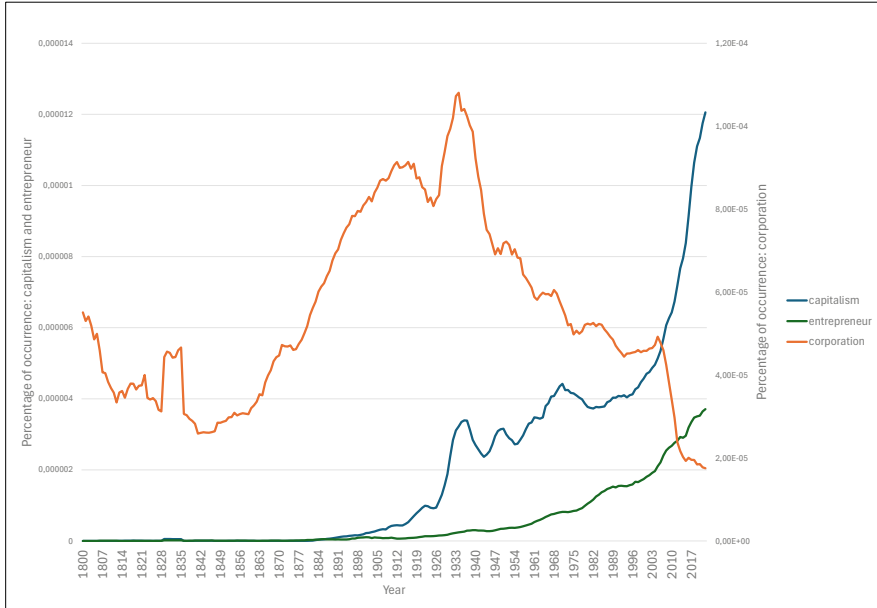
Three terms describing the developments that structure and reshape markets stand for completely contrasting understandings and valences at the heart of business history: capital and capitalism, the entrepreneur, and the corporation. They have gone through cycles of usage and meaning, with a great deal of discussion of the corporation in the mid-20<sup>th</sup> century, and much more contemporary interest

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7 Ronald Coase, *The Nature of the Firm*, in: *Economica* 16 (1937), 386–405; Oliver E. Williamson, *The Theory of the Firm as Governance Structure. From Choice to Contract*, in: *Journal of Economic Perspectives* 3 (2002), 171–195.

8 Alfred D. Chandler (with Takashi Hikino), *Scale and Scope. The Dynamics of Industrial Capitalism*, Cambridge/Mass. 1990.

9 See Keith Tribe, *Constructing Economic Science. The Invention of a Discipline 1850–1950*, Oxford 2022.



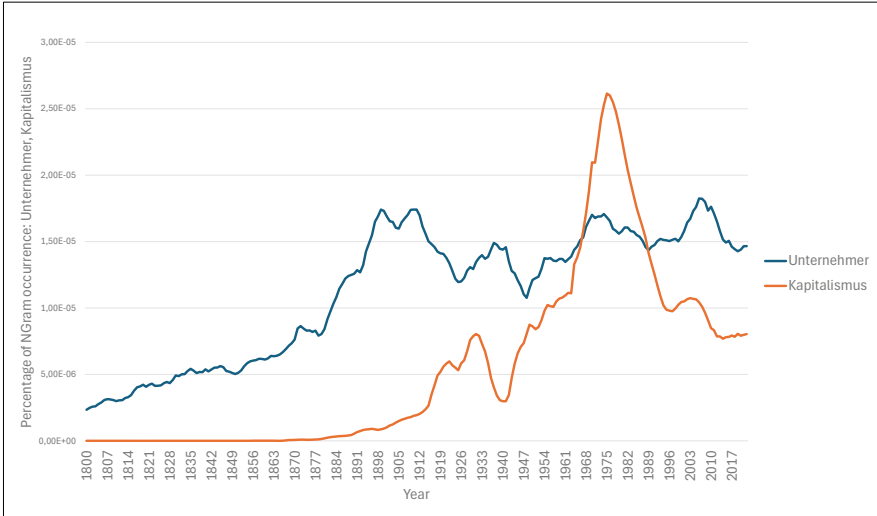
**Figure 1:** Google NGram percentage of occurrence in American English, 1800–2022: corporation, capitalism, entrepreneur

Source: [https://books.google.com/ngrams/graph?content=capitalism%2C+corporation%2C+entrepreneur&year\\_start=1800&year\\_end=2022&corpus=en-US&smoothing=3&case\\_insensitive=false](https://books.google.com/ngrams/graph?content=capitalism%2C+corporation%2C+entrepreneur&year_start=1800&year_end=2022&corpus=en-US&smoothing=3&case_insensitive=false) [last access 5.2.2026].

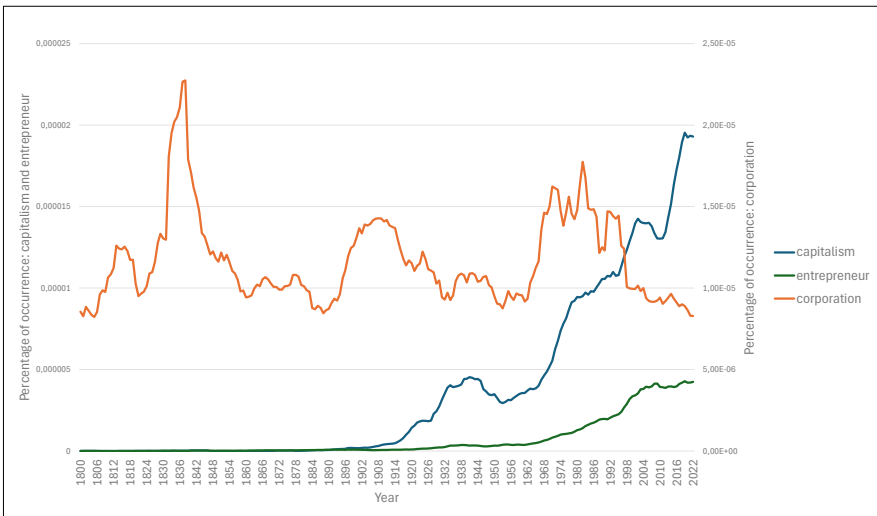
in the application of the concept of capitalism within American and British literature (see Figures 1 and 3). By contrast, in Germany capitalism was less popular as a concept, judged by references in books as captured by Google NGram, apart from a spike in usage in the late 1960s and the 1970s (see Figure 2).

## Capitalism

Capitalism was the focus of intense debate in the mid-20<sup>th</sup> century, when it was frequently discussed as inhuman, socially cruel, and additionally responsible for the catastrophe of National Socialism. Famously, both the major parties of the Bonn Republic began the postwar era with pronouncedly anti-capitalist programs, the CDU with the Ahlen program of 1947 («CDU überwindet Kapitalismus und Marxismus»: the CDU overcomes capitalism and Marxism) and the SPD still relying on the Erfurt program of 1891. And in the early 21<sup>st</sup> century, the discussion revived, with capital-



**Figure 2:** Google N-Gram percentage of occurrence in German, 1800–2022: Unternehmer, Kapitalismus  
 Source: [https://books.google.com/ngrams/graph?content=unternehmer%2Ckapitalismus&year\\_start=1800&year\\_end=2022&corpus=de&smoothing=3&case\\_insensitive=false](https://books.google.com/ngrams/graph?content=unternehmer%2Ckapitalismus&year_start=1800&year_end=2022&corpus=de&smoothing=3&case_insensitive=false) [last access 5.2.2026].



**Figure 3:** Google N-Gram percentage of occurrence in British English, 1800–2022: capitalism, corporation, entrepreneur  
 Source: [https://books.google.com/ngrams/graph?content=capitalism%2Ccorporation%2Centrepreneur&year\\_start=1800&year\\_end=2022&corpus=en-GB&smoothing=3&case\\_insensitive=false](https://books.google.com/ngrams/graph?content=capitalism%2Ccorporation%2Centrepreneur&year_start=1800&year_end=2022&corpus=en-GB&smoothing=3&case_insensitive=false) [last access 5.2.2026].

ism allegedly responsible for the 2008 Global Financial Crisis (which seems plausible), and for the rise of right- and left-wing populism. Werner Plumpe begins his masterful analysis of capitalism, published in 2019, with the elegant pun that works well in German, «Der Kapitalismus hat Konjunktur», which means both capitalism has business cycles, and capitalism is in vogue.<sup>10</sup> In between, from the 1950s to the early 2000s, the business cycle appeared to be dead, and fewer people were interested in capitalism.

The frequent invocation of capitalism does not mean that there is a clear or universally accepted definition: and it is indeed the conceptual vagueness which makes such widespread condemnation possible. Capitalism in fact produces sharp clashes of interpretation as to history and chronology, with two contrasting tendencies: one, to assert that capitalism is something very specifically modern, and that the economic phenomena of antiquity, or the European Middle Ages, or pre-colonial Africa cannot be considered capitalist. Karl Polanyi, whose «Great Transformation» is frequently still hailed as a guide to the creation of the modern economy, begins his account of the pre-modern world by stating that «Eighteenth century society unconsciously resisted any attempt at being made into a mere appendage of the market. No market economy was conceivable that did not include a market for labour; but to establish such a market, especially in England's rural civilization, implied no less than the wholesale destruction of the traditional fabric of society.»<sup>11</sup> This is simply nonsense, a sentimentalization on a grotesque scale of «merrie England» of cakes and ale: long before the 18<sup>th</sup> century there was a labour market, and wages and conditions of work responded to a market logic.<sup>12</sup>

The second tendency is much more persuasive: to argue that the capitalist instinct is deeply embedded in the human psyche, corresponding to Adam Smith's «propensity to truck, barter, and exchange one thing for another», and thus practically universal. The Christian socialist economic historian R. H. Tawney rightly noted that «The «capitalist spirit» is as old as history, and was not, as has sometimes been said, the offspring of puritanism.» He was thinking of the debate launched by Max Weber's famous thesis on the «Protestant ethic» and early modern capitalism. In Tawney's reformulation, a religious mindset, 17<sup>th</sup>-century Puritanism,

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<sup>10</sup> Werner Plumpe, *Das kalte Herz. Kapitalismus. Die Geschichte einer andauernden Revolution*, Berlin 2019, 11.

<sup>11</sup> Karl Polanyi, *The Great Transformation. The Political and Economic Origins of Our Time*, Boston 2001 [1944], 81.

<sup>12</sup> For a cogent critique of Polanyi see Gareth Austin, *The Return of Capitalism as a Concept*, in: Jürgen Kocka/Marcel van der Linden (eds.), *Capitalism. The Reemergence of a Historical Concept*, London 2016.

merely provided a «tonic» that encouraged a new formulation of the inherent logic of a market or capitalist process.<sup>13</sup> This is a more convincing standpoint. Henri Pirenne's 1913 lecture, «All the essential features of capitalism – individual enterprise, advances on credit, commercial profit, speculation, etc. – are to be found from the 12<sup>th</sup> century on, in the city republics of Italy – Venice, Genoa, or Florence.»<sup>14</sup>

One of the prophets of the *Historische Schule* was Gustav Schmoller, whose name still adorns the title of a somewhat heterodox German economics journal, whose main title now defines the mission as «Journal of Contextual Economics: Schmollers Jahrbuch». He used the term capitalism rather sparingly and did not appreciate the attention that Max Weber and his student Werner Sombart applied to the phenomenon of modern capitalism. Indeed, he wrote about how capitalism consisted in the process of capital accumulation («Kapitalanhäufung»), that had been underway since the late Middle Ages, and that «this is really what is meant when one speaks of capitalism».<sup>15</sup>

Capital accumulation is thus the key to one powerful definition of capitalism. Jonathan Levy observes in his survey of American capitalism that «physical factors of production, or any other form of capital, must always be capitalized – transformed into legal assets of pecuniary value, expected to yield future pecuniary income». Such a definition has the advantage of enabling «an engagement with economics and economic history (something the new history of capitalism has sorely lacked)».<sup>16</sup> That approach is also the key in Thomas Piketty's work. «Capital in the Twenty-First Century» of 2013, with the quite simple message, buttressed by massive statistical work originally focused on France but then extended to a relatively few additional countries:  $r > g$ . The rate of return on capital exceeded the long run growth rate, so that there was a steady rise in capital's share of income. Piketty did not just use statistics: there were also frequent references to literature, especially Honoré de Balzac, and especially «Père Goriot».

The objection to this approach is that a great deal of capital accumulation is simply wasted in that it seeks security in the form of state debt, mortgages, or real

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13 R. H. Tawney, *Religion and the Rise of Capitalism. A Historical Study*, New York 1926, 188.

14 Henri Pirenne, *The Stages in the History of Capitalism*, in: *American Historical Review* 3 (1914), 494–515, quote 495f.

15 Gustav Schmoller, *Grundriß der Allgemeinen Volkswirtschaftslehre*, Vol. II: Verkehr, Handel und Geldwesen. Wert und Preis. Kapital und Arbeit. Einkommen. Krisen, Klassenkämpfe, Handelspolitik. Historische Gesamtentwicklung, Leipzig 1920, 200. See also Hans-Christof Kraus, *Gustav Schmoller und Max Webers These über den «Geist» des Kapitalismus*, in: *Sociologia Internationalis* 2 (2020), 153–165.

16 Jonathan Levy, *Capital as Process and the History of Capitalism*, in: *The Business History Review* 3 (2017), 483–510, quotes 487 and 488.

estate, and successful innovation depends rather on adventurers and experimenters who want to risk everything.<sup>17</sup>

Economic historians became more sober, but they also often want to employ capitalism as an all-encompassing term, less clearly defined. The great economic historian of early modern Italy, Frederick C. Lane, explained that «Capitalism commonly refers to both a system or method of production and to a social and political system.»<sup>18</sup> Plumpe has an equally wide-ranging definition, «Capitalism rests on the evolutionary interaction of decentral private ownership structures as motors of variation, markets that establish prices as catalysts for market success, and finally the political stabilization of these evolutionary mechanisms, which secures the political operability of capitalism.»<sup>19</sup> In his magnum opus, Sven Beckert simply thinks of capitalism as an outcome of politics and culture: « the result of a panoply of political choices and social conflicts, structured in myriad ways by society and the state. Because capitalism is just as much an ecological, cultural, social, and political order as it is an economic one, it can only be understood through an analysis embedded in politics, nature, the distribution of social power, and cultures and institutions.»<sup>20</sup>

Werner Sombart was in fact the initial 20<sup>th</sup> century proponent of capitalism as the best term to understand modern society – a term which he also wanted to link very specifically to Jews (rather than the Protestants who were famously central to the Max Weber thesis). For Sombart, «Capitalism came from the profound depths of the European soul. [...] It is the Faustian spirit: the spirit of commotion and restlessness that now animates man.»<sup>21</sup> Now, in a globalized world, in the new millennium, it has come to animate all of humanity.

## The entrepreneur

Another, rival, tradition thinks of the entrepreneur as central to the process of business development, or of capitalism. Commenting on Frederick Lane's analysis, the Swiss economic historian Jean-François Bergier wanted to emphasize that «capi-

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17 See Plumpe, *Das kalte Herz* (cf. n. 10), 154.

18 Frederic C. Lane, *Meanings of Capitalism*, in: *The Journal of Economic History* 1 (1969), 5–12, here 6.

19 Plumpe, *Das kalte Herz* (cf. n. 10), 613.

20 Beckert, *Capitalism* (cf. n. 6), 15.

21 Werner Sombart, *Der moderne Kapitalismus*, Vol. 1, Munich 1916, 327; Robert Fredona/Sophus A. Reinert/Teresa da Silva Lopes, *Forms of Capitalism*, in: *Business History Review* 1 (2024), 3–35, here 13.

talism needed entrepreneurs and also a state that reflected the development of a capitalist spirit». <sup>22</sup> The key populariser of the centrality of entrepreneur was Joseph Schumpeter: the process of creative destruction was an exercise that came from outside the regular market process.

For Joseph Schumpeter, the «view that it is the accumulation of capital per se that propels the capitalist engine» was simply pedestrian. <sup>23</sup> Instead he developed the concept of an *Unternehmergeist* that broke through conventional attitudes, technologies, and institutions, and drove a quick increase in efficiency and in the availability of goods – a move that largely benefited consumers, as the initial advantages were competed away. By the middle of the 20<sup>th</sup> century, however, he thought that the entrepreneur was less central, and that entrepreneurship could be routinized in the large corporation:

The entrepreneurial performance involves, on the one hand, the ability to perceive new opportunities that cannot be proved at the moment at which action has to be taken, and, on the other hand, will power adequate to break down the resistance that the social environment offers to change. But the range of the provable expands, and action upon flashes or hunches is increasingly replaced by action that is based upon «figuring out». And modern milieus may offer less resistance to new methods and new goods than used to be the case. <sup>24</sup>

By the 21<sup>st</sup> century, with a new pace of technical innovation, especially in IT and biotechnology, the old emphasis on entrepreneurship came back, but not so much in Germany, where traditionally there was more scepticism about the idea of the heroic entrepreneur. As the Berlin-born business historian Fritz Redlich observed, «one should not forget that business leaders are not «charismatic» leaders, as Sombart was wont to stress; or as a recent American author expressed it, they are a strange kind of «leaders» in that they don't wish any followers. Consequently until a late stage of capitalistic development they could not attract much public interest.» <sup>25</sup> Ulrich Wengenroth begins his survey of German entrepreneurship with the observation that its history «is as tortured as the history the country inflicted on itself and its neighbors». <sup>26</sup>

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<sup>22</sup> Bergier in Lane, *Meanings of Capitalisms* (cf. n. 18), 12.

<sup>23</sup> Joseph A. Schumpeter (ed. Elizabeth Boody Schumpeter), *A History of Economic Analysis*, New York 1954, 468.

<sup>24</sup> Joseph A. Schumpeter, *The Creative Response in Economic History*, in: *The Journal of Economic History* 2 (1947), 149–59, quote from 157.

<sup>25</sup> Fritz Redlich, *The Beginnings and Development of German Business History*, Supplement to: *Bulletin of the Business Historical Society* 3 (1952), 1–82, quote from 45.

<sup>26</sup> Ulrich Wengenroth, *History of Entrepreneurship: Germany After 1815*, in: David S. Landes et al. (eds.), *The invention of enterprise: entrepreneurship from ancient Mesopotamia to modern times*, Princeton 2010, 273.

Germany had what is probably the oldest tradition of business history, which tried to recover the history of the non-dramatic and non-charismatic. The first such work was the study published anonymously in 1825 of the Saxon Lauchhammer iron works, in commemoration of its hundredth anniversary.<sup>27</sup> The author, Johann Friedrich Trautscholdt, was a manager of the company. He seems to have started a tradition of long-serving employees writing histories of their firms. A prominent 19<sup>th</sup>-century example is the Krupp archivist Wilhelm Berdrow. Later came much more academic or scientific studies, the most notable of which was Richard Ehrenberg's 1906 book «Die Unternehmungen der Brüder Siemens».<sup>28</sup> Ehrenberg had been trained as an economist, but became more historical in his interest, and wrote an important study of the Fugger dynasty of Augsburg and their world.<sup>29</sup>

After the Second World War, Redlich, who in 1952 moved to the Harvard Research Center in Entrepreneurial History directed by Arthur Cole, produced a sustained criticism of the German tradition of commemorative business histories:

The reader is informed about the material substratum of the enterprise in question rather than the working of the organization. There is usually too much stress laid on products, plants, buildings, powerful machines and equipment, and on activities in the interest of the working force. In some cases technological achievements are overstressed. Data which are indicative of growth and success are emphasized, but one learns very little about the process of policy determination and about the internal structure and operations of the enterprise concerned. Details as important as changes in the sales organization, methods of purchasing, dividend and promotional policies, changes in accounting procedure, and the like are neglected.<sup>30</sup>

But Redlich also highlighted the sobriety of German business history, which, even when written to celebrate individual businesses, avoided the frenetic boosterism of American writing: «the spectacular and sensational element which mars some American firm histories, sponsored by the firms concerned, is equally absent. [...] By comparison I should consider the average German firm publication more useful than the average American.»<sup>31</sup>

The predecessor journal of ZUG («Zeitschrift für Unternehmensgeschichte/ Journal of Business History»), «Tradition: Zeitschrift für Firmengeschichte und Unternehmerbiographie», established in 1956 by Wilhelm Treue and the Institut der Deutschen Wirtschaft (German Economic Institute), was rather sober, and heavily

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<sup>27</sup> Johann Friedrich Trautscholdt, *Geschichte und Feyer des ersten Jahrhunderts des Eisenwerkes Lauchhammer*, privately printed, Dresden 1825.

<sup>28</sup> Richard Ehrenberg, *Die Unternehmungen der Brüder Siemens*, Jena 1906.

<sup>29</sup> Richard Ehrenberg, *Das Zeitalter der Fugger. Geldkapital und Creditverkehr im 16. Jahrhundert*. 2 vols., Jena 1896.

<sup>30</sup> Redlich, *The Beginnings*, (cf. n. 25), 23.

<sup>31</sup> *Ibid.*

focused on the same kind of business history as in firms' commemorative volumes, and also had a clear anti-Marxist ideological line in fitting with the Cold War. The title, «Tradition», was a program. 29 out of the 216 articles published concerned biographies of entrepreneurs, and 53 were histories of individual enterprises. In compiling a survey of its activity as it made the transition to the ZUG, which was more open to methodological diversity, Hans Rattinger complained that its essays were marked by a complete absence of any interest in theorizing the position of the entrepreneur.<sup>32</sup> Neither, as Redlich had noted, were these articles interested in the evolution of corporate structure.

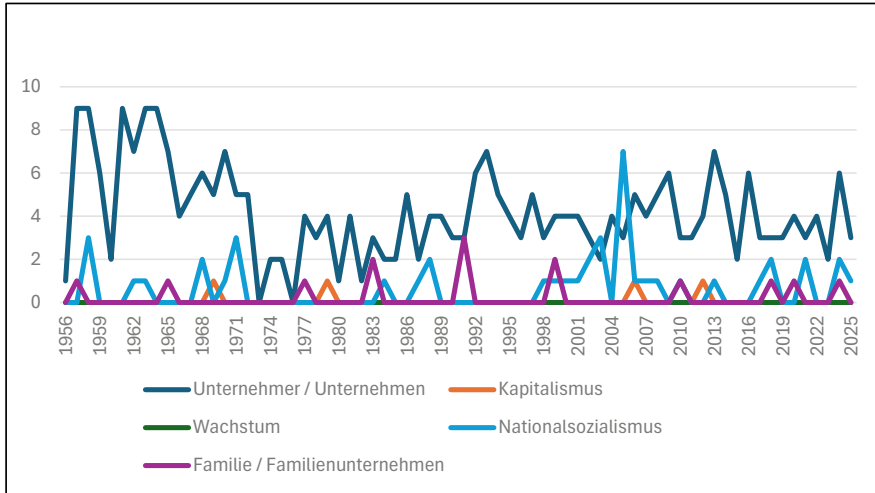
In the early 1970s, amidst the first oil shock, «Tradition» ran into a financial crisis, which was resolved through the raising of new money from several German companies, orchestrated by Hermann Josef Abs of Deutsche Bank.<sup>33</sup> In March 1974, the executive board of Deutsche Bank decided to approach various members of its supervisory board and affiliated companies to ask whether they would be interested in founding an association focusing on business history.<sup>34</sup> The project was met with interest, and in June 1976 a substantial number of Germany's most prominent companies created the Gesellschaft für Unternehmensgeschichte, one of its main tasks being to continue publishing «Tradition». From 1977 the journal appeared with a new title, «Zeitschrift für Unternehmensgeschichte», and a new publisher. The exclusive focus on entrepreneurs and businesses was diluted – although there was a revival in the 1990s, when the restructuring of formerly planned economies gave a new salience to the idea of entrepreneurship (see Figure 4).

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32 Hans Rattinger, *Die «Tradition» 1956 bis 1971. Themen und Trends in Firmengeschichte und Unternehmerbiographie*, in: *Tradition* 1 (1973), 4–17.

33 File Gründung 1/Memoranden and Gründung 1/Verschiedenes, in: GUG Archives; Allgemeine Korrespondenz A–Z 1973–1974, in: Historisches Archiv der Deutschen Bank (HADB) ZA17/4; Sebastian Brünger, *Geschichte und Gewinn. Der Umgang deutscher Konzerne mit ihrer NS-Vergangenheit*, Göttingen 2017, 210f. Sandra Hartig, *Von der «Tradition» zur Innovation. Die Gründung der Gesellschaft für Unternehmensgeschichte*, in: *Zeitschrift für Unternehmensgeschichte* 2 (2001), 221–236, does not adequately convey the importance of the Institut der Deutschen Wirtschaft for the continuation of the journal and the founding of the *Gesellschaft für Unternehmensgeschichte*.

34 Auszug aus dem Protokoll über die Vorstandssitzung vom 26. März 1974, 29.4.1974, in: HADB ZA04/1628.



**Figure 4:** Keywords in the title of ZUG articles, 1956–2025

## The corporation

The terms, capitalism and entrepreneur, can serve as a guide to the practical development of business history in the later 20<sup>th</sup> century. There is a third, which is of equal significance: the corporation. The corporation goes back to Roman and medieval law. It attracted a great deal of criticism from Adam Smith, who saw the large and very powerful corporations of his day, in particular the East India Company, as horrible abuses. Smith produced a quite simple explanation of the wrong incentives built into the corporate structure: «The directors of such companies, however, being the managers rather of other people's money than of their own, it cannot well be expected, that they should watch over it with the same anxious vigilance with which the partners in a private copartnery frequently watch over their own. [...] Negligence and profusion, therefore, must always prevail, more or less in the management of the affairs of such a company.» The owners, or proprietors, «seldom pretend to understand any thing of the business of the company».<sup>35</sup> The corporation was, however, a critical legal form in raising the capital needed for the large and complex business institutions that drove the Industrial Revolution, at first the rail-

<sup>35</sup> Adam Smith (ed. John Ramsay McCulloch), *An Inquiry Into the Nature and Causes of the Wealth of Nations*, London 1828.

roads (the most complex form of organization, with the exception of armies, that had to that time existed), and then of giant companies in producer goods industries, and then more widely. In the course of the 20<sup>th</sup> century, the corporation was the central instrument in excluding market processes and subjecting them to a centralized control. It fundamentally changed the meaning of property, Berle and Means described the corporation as «splitting the atom» of property, by separating ownership and control.<sup>36</sup> Alfred Chandler's 1990 monumental «Scale and Scope» begins with the statement that «In the last half of the 19<sup>th</sup> century a new form of capitalism appeared in the United States and Europe.»<sup>37</sup>

Mid-20<sup>th</sup>-century business history necessarily focused on the corporation, with Alfred Chandler giving the practical example, the model of how to do this. Chandler, whose name (at least his middle name) expressed a program: what mattered was the establishment of the multidivisional (or M form) corporation, run by professional managers, who accomplished the revolution spelled out in the pages of Berle and Means. This tradition of analysis looked much more at General Motors, under its great manager Alfred Sloan, as a model, and less at the great US rival automobile producer, Ford, which looked much more European in the sense that it was effectively moulded by its idiosyncratic founder, Henry Ford, and then structured a foundation as a way of preserving the independence of the enterprise.

Berle and Means had a political program. Their great work, published in 1932, expressed what might be called the New Deal view, that taking corporate control away from owners was a desirable step in the direction of rational economic planning. Some, indeed,<sup>38</sup> followed James Burnham's analysis of the managerial revolution, which saw the move as a parallel process to the establishment of a state-led plan in the Soviet Union. By the 1960s, there was even a conviction that Soviet and capitalist societies were converging. Daniel Bell explained that ideologies were a thing of the past, or that isms had become wasms.<sup>39</sup>

The most powerful and successful mid-20<sup>th</sup>-century business histories thus looked at corporations, and placed them at the centre of their analysis: Charles Wilson at Unilever, Donald Coleman at Courtaulds.<sup>40</sup> German scholars found it harder to produce work of this stature, and they focused initially on iron and steel, the industries apparently at the heart of the German success story. The most lasting initial effort is probably Wilhelm Treue's analysis of Thyssen. By comparison, Erich

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36 Adolf A. Berle/Gardner C. Means, *The Modern Corporation and Private Property*, Chicago 1932.

37 Chandler, *Scale and Scope*, (cf. n. 8), 1.

38 James Burnham, *The Managerial Revolution. What Is Happening in the World*, New York 1941.

39 Daniel Bell, *The End of Ideology. On the Exhaustion of Political Ideas in the Fifties*, New York 1962.

40 Charles Wilson, *The History of Unilever. A Study In Economic Growth and Social Change*, New York 1968; D. C. Coleman, *Courtauld. An Economic and Social History*, Oxford 1969–1980.

Maschke's depiction of another great steel concern, the Gutehoffnungshütte, was mechanical and quite uninspired: Maschke had originally been a scholar of the German East, highly ideological (and Nazi).<sup>41</sup> His most interesting work as a business historian related to cartel formation, but lacked the theoretical grasp of the German economic literature on the cartel issue, notably the writings of Robert Liefmann, a tragic victim of Nazi racial persecution, and of Franz Böhm, one of the founders of Ordo-liberalism.<sup>42</sup>

The oddity of this mid-century work is that the enterprises that drove Germany's effective modernization – notably electrical goods and chemicals/pharmaceuticals – were neglected for a long time. Siemens was much better served than its historical rival, AEG, beginning with Richard Ehrenberg's remarkable study of the early years of what became Germany's most significant company. Until the 1990s, however, the story of Siemens was best told by a family member.<sup>43</sup>

The Ruhr, rather than south-west German machine building (with the iconic Bosch and Daimler) or Hanseatic German mercantile capitalism, Thuringian and Saxon artisan capitalism, or even the heavy industry of Silesia, remained at the centre of a distorted version of the business history story. For most people, Germany and German industry was the Ruhr. Krupp altogether a more colourful history, to put it in a rather understated way. Alfred Krupp made the name Krupp into a German icon. For him, it was not a coincidence that the dramatic period of expansion of the small enterprise that his father had established in 1811 coincided with the creation of the German Empire. He proudly announced to Wilhelm I, the new emperor, that they were now living in the «steel age». Kaiser Wilhelm I and Bismarck were both quick to extoll the parallels between the new politics and the new business. Krupp's son, Friedrich Alfred, cultivated an even closer relationship with Wilhelm I's grandson, Kaiser Wilhelm II. For Adolf Hitler, Krupp was also an icon. In «Mein Kampf» and again in 1935 at the Nuremberg party rally, Hitler exhorted German youth to be as «quick as a greyhound, as tough as leather, and as hard as Krupp steel». In 1945, at the International Military Tribunal in Nuremberg, where the senile Gustav Krupp

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41 Erich Maschke, *Die Verteidigung Europas*, in: Nationalsozialistische Monatshefte (1942), 279–288; Erich Maschke, *Es entsteht ein Konzern. Paul Reusch und die GHH*, Tübingen 1969. See Barbara Schneider, *Erich Maschke. Im Beziehungsgeflecht von Politik und Geschichtswissenschaft*, Göttingen 2016.

42 Robert Liefmann, *Kartelle, Konzerne und Trusts*, Stuttgart 1927; Franz Böhm, *Kartelle und Koalitionsfreiheit*, Berlin 1933.

43 Georg Siemens, *Der Weg der Elektrotechnik. Geschichte des Hauses Siemens*, Freiburg 1961; Wilfried Feldenkirchen, *Siemens. 1918–1945*, Munich 1995; Wilfried Feldenkirchen, *Siemens. Von der Werkstatt zum Weltunternehmen*, Munich 2003; Johannes Bähr, *Werner von Siemens 1816–1892. Eine Biografie*. Munich 2016. For AEG, there is also only a thin authorized history: Manfred Pohl, *Emil Rathenau und die AEG*, Berlin 1988.

von Bohlen und Halbach was indicted as one of twenty-four major war criminals, prosecutor Robert Jackson also used Krupp as a symbol: «Four generations of the Krupp family have owned and operated the great armament and munitions plants which have been the chief source of Germany's war supplies. For over 130 years this family has been the focus, the symbol, and the beneficiary of the most sinister forces engaged in menacing the peace of Europe.»

Krupp became notorious through the bestselling study by William Manchester, «The Arms of Krupp». «Everything about the Krupps was remarkable: their way of life (secretive), their appearance (vulpine), their empire (international) and their customers (chiefs of state), but nothing was quite so phenomenal as this habit of matching the Teuton mood of the moment.»<sup>44</sup>

The Ruhr barons thus became the focus of a personalized obsession with popular German business history, with which business historians constantly needed to wrestle. The popular image was enhanced by fiction and films, most spectacularly Luchino Visconti's 1969 «The Damned» («Götterdämmerung», or in Italian, «La caduta degli dei»), which described the initially cautious but then increasingly criminal (and debauched) embrace of Nazis by an Essen dynasty.

The Krupps were not alone. Fritz Thyssen (1877–1951) was the son of the founder of the dynasty, August Thyssen, and was initially the highest profile Hitler supporter of the industrial elite, but then turned away in disillusion and fled into exile in France 1939, with a ghostwritten book on «I Paid Hitler.»<sup>45</sup> He was then extradited by the Vichy regime, and was interned first in a psychiatric hospital and then in concentration camps, including Sachsenhausen, Buchenwald and Dachau; and was also interned by the allies.

The large Thyssen industrial concern provides a key to understanding a different German business trajectory. It was closely studied by Jeffrey Fear, who explained that he saw his work as a corrective to Chandler: «German business developed different forms of organizational design that do not fit into his typologies, which have influenced German business historians to presume that family-run enterprises such as Thyssen did not have a managerial revolution.» But there clearly was precisely such a revolution, as Fear explained: «In a strict sense, this study is not really a business history, but a history of corporate management, focusing particularly on commercial administration, rather than on factory management.»<sup>46</sup>

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<sup>44</sup> William Manchester, *The Arms of Krupp*, London 1969.

<sup>45</sup> Wilhelm Treue, *Die Feuer verlöschen nie – August Thyssen-Hütte*, Vol. 1: 1890–1926, Düsseldorf 1969. Wilhelm Treue (with Helmut Uebbing), *Die Feuer verlöschen nie – August Thyssen-Hütte*, Vol. 2: 1926–1966, Düsseldorf 1969.

<sup>46</sup> Jeffrey R. Fear, *Organizing control. August Thyssen and the construction of German corporate management*, Cambridge/Mass. 2005, quotes from 7 and 4.

Indeed, the Chandler model did not fit well with Germany's historical experience. Jürgen Kocka critiqued Chandler's «Scale and Scope» by writing that the «real working of the managerial structures remains something of a «black box»». <sup>47</sup> From the moment that families could use the joint stock company to structure their business ownership, they often delegated to professional managers, but retained the possibility of occasional and dramatic interventions. <sup>48</sup> But it was not just the continued presence of family capitalism, to a much greater extent than in the Anglo-American world, but of a whole system of interconnected and interlocking business engagements.

The oddity of Germany was the persistence of a particular model. For the short 20<sup>th</sup> century, defined by political parameters as between the First World War and the collapse of communism, 1914 to 1989, there was an extraordinary stability of enterprise structures, in many countries. This was the period when it made sense to concentrate on the corporation as the central actor in the business dynamic. The top ten enterprises in the S&P 500 in 1990 were Exxon, General Electric, IBM, AT&T, Philip Morris, Merck, Bristol-Myers, Dupont, Amoco, and BellSouth. Then dramatic changes set in. Exxon and Mobil merged to form ExxonMobil. General Electric (GE) has been restructuring and divesting businesses. IBM has also been restructuring and focusing on cloud computing. AT&T has been involved in several mergers and acquisitions, including with Time Warner. Philip Morris changed its name to Altria Group. Amoco was acquired by BP. BellSouth was acquired by AT&T. Merck and Bristol-Myers Squibb are still operating as independent pharmaceutical companies, though they have also been involved in mergers and acquisitions. DuPont has also undergone significant changes, including a merger with Dow.

Germany is on the surface a much greater story of stability, and the post-1990s turbulence rather less than in the US. The mid-20<sup>th</sup>-century stability was exported to Germany, and corporations modernized themselves, by Americanizing. <sup>49</sup> But they did not take the next step. The ten largest enterprises by market capitalization are all – with the exception of the largest, the software company SAP, founded in 1972 by IBM software engineers – recognizably traditional or old companies: SAP SE, Siemens, Deutsche Telekom, Allianz, Rheinmetall, Siemens Energy, Münchener

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<sup>47</sup> Jürgen Kocka, *Scale and Scope: A Review Colloquium*, in: *Business History Review* 4 (1990), 711–716, here 714.

<sup>48</sup> Harold James, *Familienunternehmen in Europa*. Haniel, Wendel und Falck, Munich 2005.

<sup>49</sup> There is a vast literature on Americanization: see Volker R. Berghahn, *The Americanisation of West German industry, 1945–1973*, Leamington Spa 1986 and Christian Kleinschmidt, *Der produktive Blick. Wahrnehmung amerikanischer und japanischer Management- und Produktionsmethoden durch deutsche Unternehmer 1950–1985*, Berlin 2002.

Rück, Siemens Healthineers, Deutsche Bank, BMW.<sup>50</sup> For the 20<sup>th</sup> century, these structures were held together by capital cross-linkages and common ownership, for a long time through financial institutions. This complex, often referred to as Deutschland AG, was demolished in the course of the 1990s and 2000s, above all through changes in tax treatment. In the old regime, an affiliation privilege meant that dividend payments from the ownership of more than 25 per cent of companies were not subject to taxation, while profits from sales of share blocks were heavily taxed. That taxation of sales from stock holdings was removed in 2000/1. The move was immediately hailed as «Das Ende der Deutschland AG.»<sup>51</sup>

In the new world, it became rather senseless to focus on corporations and corporate continuity. The iconic and world-dominating maker of steel tubing, for instance, Mannesmann, in 2000 was taken over by Vodafone and became a mobile communication firm, with the steel business hived off.

The end of this specifically German story of long-term holding was driven by a critique that the prominence of insiders was making Germany into what a famous cover of the «Economist» depicted as the «sick man of Europe», with a lower rate of growth than would have been achieved if enterprises had been guided primarily by considerations of return on value, or shareholder value.<sup>52</sup> The motive behind the liberalizing reforms under Chancellor Gerhard Schröder was to create a more market and less control driven capitalism. It provoked an almost instant critique, driven by a fear of short-term capitalists demolishing the long-term vision that had been at the core of German economic thinking, with hedge funds descending like locusts, stripping out assets (*Heuschrecken*, locusts, became a popular way of thinking about the new development). The SPD party chair Franz Müntefering coined the term *Heuschreckenkapitalismus*: capitalism, he said, is not something in the museum, it is burningly contemporary.<sup>53</sup> One response was to reformulate a different vision, emphasizing multiple stakeholders, and contrasting stakeholder capitalism with shareholder value capitalism: this was a position that revived elements of the traditional German discourse about business organization. Was there not something flawed and corrupting at the heart (Plumpe's «cold heart») of capitalism?

<sup>50</sup> <https://www.finanzen100.de/top100/die-grossten-borsennotierten-unternehmen-deutschlands/> [last access 1.2.2026].

<sup>51</sup> *Eichels Revolution*, in: Der Spiegel, 2.1.2000, <https://www.spiegel.de/politik/eichels-revolution-a-3b276cb3-0002-0001-0000-000015348733> [last access 1.2.2026]. On Deutschland AG, see Ralf Ahrens (ed.), *Die «Deutschland AG»*. *Historische Annäherungen an den bundesdeutschen Kapitalismus*, Essen 2013.

<sup>52</sup> *Germany stalls, the Euro falls*, in: The Economist, 5.6.1999. The theme was taken up again on the cover of 19 August 2023: «Is Germany once again the sick man of Europe?».

<sup>53</sup> «Kapitalismus ist keine Sache aus dem Museum, sondern brandaktuell», in: Programmheft I. Tradition und Fortschritt. SPD, January 2005, 18.

## An original accumulation

A key part of the capitalism discussion has been the idea of an original act – Marx’s primitive capitalist accumulation – that set the stone in motion. For Marx, that initial move, capitalism’s original sin, occurred in the countryside, with the English 16<sup>th</sup>-century enclosures and the Scottish 18<sup>th</sup>-century highland clearances. At more or less the same time, Richard Wagner has a poetic and musical rendition of the process by describing how his original capitalist, the dwarf Alberich, seizes gold from nature, the river Rhine, at the price of renouncing human affection, love. That view still dominates writing on capitalism, indeed it is the key to Sven Beckert’s magisterial survey of capitalism as a global phenomenon. The approach is heavily influenced by an interpretation of US history, which sees slavery as the prime mover. Some historians even wanted to explain the American revolution in terms of worries of slaveholders, and the Northern businesses that used cotton and sold to the South, that a British drive to limit the slave trade and possibly even to emancipation would hurt their economic interests. The thesis became the centre of the highly controversial 1619 Project.<sup>54</sup> Then further research demonstrated how North American capitalism was built on the seizure of lands occupied (but not «owned» in the sense of a modern economy) by indigenous Americans.

The emphasis on the rapacious character of capitalisms’ origins did not go down well with conventional business historians. The pioneering British economic historian T. S. Ashton, who came from a background in the cotton trade, told his grandchildren, «When I grew up and read works about the inhumanity of the cotton-masters of the 19<sup>th</sup> century I used to wonder whether the writers had ever met any.»<sup>55</sup> There was an obvious contrast between the correctly bourgeois manner of Victorian captains of industry and the claims of engagement in systemic evil.

## National Socialism at the centre of business history

For Germany, the question of original sin is posed in a rather different way. The new approach became central to the analysis of business history in the 1990s and suddenly brought it into the German academic mainstream. Germany’s most important political historians, such as Lothar Gall, suddenly turned to the story of business.

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54 Nikole Hannah-Jones (ed.), *1619 Project. A New Origin Story*, New York 2021.

55 R. S. Sayers, T. S. Ashton, in: *Proceedings of the British Academy* (1971), 263.

Harm Schröter noted that business history spectacularly shook off its *Aschenputtel*, Cinderella, past, confined to picking out peas and lentils from the ashes.<sup>56</sup> The ashes of history suddenly became a central challenge to historical writing. First of all, came the question posed by the old left, was the Nazi descent into barbarism, criminality and racially driven murder the outcome of a capitalist intrigue? In the late 1960s, the slogan of Max Horkheimer was everywhere: «Wer von Faschismus redet, darf von Kapitalismus nicht schweigen.» Then there were further questions: How far did businesses profit from the Nazi regime? And was the prosperity and success of postwar Germany founded on the expropriations and seizures of the 1930s and 1940s? Can a society enrich itself by looting other people's assets?

The Festschrift tradition was not really celebratory, but it was often apologetic. Business histories, especially celebratory anniversary volumes, conventionally bracketed out the Nazi period with brief overviews, explaining for instance that «the bank was limited in its room for maneuver», and celebrating the way business could resume after 1945, «Ohne Pause weiter.»<sup>57</sup> Or that the Allianz «was not ruined by the evil spirit of National Socialism».<sup>58</sup>

This practice changed in the last decade of the 20<sup>th</sup> century, and one company after another commissioned teams of historians to analyse their history. The big corporations were first, then came smaller companies, ministries, publicly owned enterprises such as the savings banks (*Sparkassen*). The wave of investigation was pushed by legal action, initially by claims of Holocaust survivors and their descendants against Swiss banks.

The background of large numbers of claims, class action suits, and the fear of reputational damage is crucial. It is not the only driver, though: one part of the dynamic is the inevitable questioning by one generation of the actions of their parents and role models. Perhaps the story of the Deutsche Bank history is illuminating, as Deutsche Bank was one of the first companies to commission a team of historians to reassess its history. The 1989 initiative was driven by the charismatic CEO («Sprecher») Alfred Herrhausen, who had a genuine passion for history, and a deep passion for promoting its academic development.<sup>59</sup> But there may have been other motives. To start with, Deutsche Bank was preparing to celebrate its 125<sup>th</sup> anniversary in 1995, at the same time as Dresdner Bank (both were founded immediately

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56 Harm G. Schröter, *Die Institutionalisierung der Unternehmensgeschichte im deutschen Sprachraum*, in: *Zeitschrift für Unternehmensgeschichte* 1 (2000), 30–48.

57 Fritz Seidenzahl, *100 Jahre Deutsche Bank 1870–1970*, Frankfurt a.M. 1975, 363, 375.

58 Peter Borscheid, *100 Jahre Allianz*, Munich 1990.

59 Friederike Sattler, *Wissenschaftsförderung aus dem Geist der Gesellschaftspolitik. Alfred Herrhausen und der Stifterverband für die Deutsche Wissenschaft*, in: *Vierteljahrshefte für Zeitgeschichte* 4 (2016), 597–635.

after the new Prussian law of 1870 on joint stock companies). It was also clear that whatever horrors the Deutsche Bank history would reveal, its major rival Dresdner Bank, where the influence of the state after the 1931 banking crisis, and which was widely known as the SS Bank, would be much more sinister. In that sense, the move was on a level with Deutsche's 1987 initiative to write down Latin American debt: it would take a hit, but other banks would be pushed to follow, and Dresdner would be worse affected. Indeed, Dresdner Bank did little in 1995 except produce a thin brochure, and then, later, was pushed into much larger scale inquiry into the bank's history under National Socialism.<sup>60</sup> Perhaps on a more personal level, Herrhausen had been brought into Deutsche Bank by the great figure of postwar German banking, Herman Josef Abs, who became increasingly disenchanted with his erstwhile protégé. Abs had joined Deutsche Bank in 1938, and it became clear from the history, played a critical role in the takeover in 1938 and 1939 of the largely Jewish-staffed Böhmisches Union Bank, a large German-speaking Prague bank.

Deutsche Bank was not the first corporation to undertake such an exercise. The earliest example of a commissioned critical corporate history was Volkswagen, which in 1986 asked the Bochum historian Hans Mommsen to undertake a study, that would include an extensive treatment of the employment of slave labour. A large part of the initiative came from employee representatives on the board, notably Walter Hiller, the long-term chairman of the works' council. The CEO from 1992, Ferdinand Piëch, was by contrast quite discouraging.<sup>61</sup>

Clearly the Nazi period had some impact on German business development, and there existed continuities between the business world of the 1930s and that of the postwar economic miracle (*Wirtschaftswunder*). Some authors, such as the political scientist Simon Reich, who went on to coordinate the research team investigating the engagement of Ford in Germany, saw the successes of the late 20<sup>th</sup> century as the product of a state strategy of industrial development in the 1930s. As Reich put it, «Fascist regimes have long been recognized for their brutality, but not for their effectiveness in creating durable political relations and prosperous economic structures. I have sought to make that point.»<sup>62</sup> He explained how this was more than a German peculiarity: indeed his original research strategy involved demonstrating why liberal Britain had a comparatively weak automobile sector, elaborating that «Like the Germans, both the Italian and the Japanese fascists nurtured their own privately owned national champions in creating an industrial core.»<sup>63</sup>

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60 Klaus-Dietmar Henke (ed.), *Die Dresdner Bank im Dritten Reich*, 4 vols., Munich 2006.

61 Michael Schmidt, *Wie VW mit seiner Rolle in der NS-Zeit umgeht*, in: *Das Parlament*, 12.5.2025.

62 Simon Reich, *The Fruits of Fascism. Postwar Prosperity in Historical Perspective*, Ithaca 1990, 327.

63 *Ibid.*, 312.

The results of the increasingly voluminous investigations into corporate histories in Nazi Germany produced, perhaps unsurprisingly, an increasingly complex picture, in which easy generalizations became harder. Most businessmen were opportunistic, and many used the opportunities given by the regime, and its use of raw materials control, price control, and tax policy to discriminate against Jews. The same figures in some cases would help Jewish victims of persecution, especially from the old business elite, but coldly take advantage of others. Insurers like Allianz would insure the production facilities of concentration and annihilation camps, including Auschwitz. Banks would finance the investments of the companies that built the crematoria. Gerald D. Feldman in his history of Allianz reached the conclusion that «survival in [the] totalitarian state [...] involved a mixture of willing participation and spineless conformism, of narrow professionalism and self-interested pursuit of profit, and, above all, opportunism». Business leaders in his view were not angels but not devils either. What then? Simply flawed humanity.

There were cases of resistance, even heroism. Thanks to the Steven Spielberg film, the case of Oskar Schindler in the camp in the Krakow suburb Płaszów is well known, even iconic. A very prominent example, who played a key role in postwar German business life, was Berthold Beitz, from July 1941 commercial director of the Karpathen-Öl AG in Boryslaw, who placed hundreds of Jews on lists of essential works and thus saved them from the death camps. The journalist Nina Grunenberg described him as the lonely lighthouse of the Ruhr, («der einsame Leuchtturm im Ruhrgebiet»); Charlotte Knobloch, the former President of Central Council of Jews in Germany, used the same term.<sup>64</sup> Gerald Feldman picks out Allianz executives Hans Hess, the CEO, and Johannes Tiedke who tried to counter aspects of the regime's persecution.

There were also cases of criminality and corruption. The multi-volume Dresdner Bank history identifies its most criminal director as Dr. Emil Meyer, who was actively encouraging the SS – via the brutal SS-Obergruppenführer Friedrich Wilhelm Krüger, to do its business and manage its assets, derived from the mass murder of Operation Reinhard.<sup>65</sup> He killed himself in May 1945. The one banker prosecuted at Nuremberg, also from Deutsche Bank, Karl Rasche, by contrast was a much greyer

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<sup>64</sup> Nina Grunenberg, *Die Wundertäter: Netzwerke der deutschen Wirtschaft 1942 bis 1966*, Munich 2006, 309; <https://www.ikg-m.de/berthold-beitz-ist-tot-knobloch-ich-verneige-mich-vor-diesem-gerechten-unter-den-menschen/> [last access 1.2.2026].

<sup>65</sup> Harald Wixforth, *Die Dresdner Bank im Dritten Reich*, Vol. 3: Die Expansion der Dresdner Bank in Europa, Munich 2006, 571–574.

figure, simply an «ambitious careerist», who joined the Nazi party and the SS relatively late.<sup>66</sup>

The debate also has an implication for the discussion of the interplay of entrepreneurial action and business organization. In particular, networks and patterns of influence are central: in the Nazi period and after. How to obtain scarce raw material imports? How to obtain financing, in a world when interest limits interfered with market mechanisms? And how did businesses survive defeat and occupation, and an initially vigorous and then increasingly feeble process of de-Nazification? Relations mattered in the Nazi era, and afterwards. Emil Meyer was the cousin of Wilhelm Keppler, initially Hitler's economic guru and the creator of a circle of business friends around Heinrich Himmler. Josef Neckermann, who started his business career as the «aryanizer» of a textile firm, and of a very large Würzburg textile store, together with a discount store Merkur, restarted his spectacular postwar career in mail-order business by obtaining the financing from Friedrich Flick and his son Otto-Ernst, with whom he had been imprisoned in Nuremberg. Neckermann incidentally provided a clear statement of the opportunism thesis: «Sometimes I had qualms [*ungute Gefühle*]. I also realized that things were not being done properly, but I couldn't know [...] I did not have the least urge to get into difficulties. Active opposition in politics is not my thing. I am not cut out to be a martyr.»<sup>67</sup>

The network thesis became the focus of substantial inquiries.<sup>68</sup> On a more general level, the business journalist Nina Grunenberg came to the conclusion the immediate postwar elite was a brown team («braune Mannschaft»), and that «the tragedy only encouraged them to roll up their sleeves, put on their blinders, and trust in their technical capabilities and the knowledge gained through experience».<sup>69</sup>

The most recent, and overall most compelling, overview of business engagement in Nazi Germany, by Peter Hayes, comes to the conclusion that «Too much ink has been spilled about entrepreneurial freedom of action (*Spielraum*) in Nazi Germany, without considering how quickly business leaders surrendered theirs». Overall, the action of business leaders, and owners, according to Hayes, was ra-

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66 See Ralf Ahrens, *Der Exempelkandidat. Die Dresdner Bank und der Nürnberger Prozess gegen Karl Rasche*, in: *Vierteljahrshefte für Zeitgeschichte* 4 (2004), 644.

67 Josef Neckermann, *Erinnerungen* (aufgezeichnet von Karin Weingart und Harvey T. Rowe), Berlin 1990, 106.

68 Grunenberg, *Die Wundertäter* (cf. n. 64), 264f.; Jörg Raab/Wolfgang Seibel, *Verfolgungsnetzwerke. Arbeitsteilung und Machtdifferenzierung in den Verfolgungsapparaten des Holocaust*, in: *Kölner Zeitschrift für Soziologie und Sozialpsychologie* 2 (2003), 197–230. Gerald D. Feldman/Wolfgang Seibel (eds.), *Networks of Nazi Persecution. Bureaucracy, Business and the Organization of the Holocaust*, Oxford 2005.

69 Grunenberg, *Die Wundertäter* (cf. n. 64), 264.

tional: «our sense that the leading German business figures behaved rationally in the Nazi context may help explain our acceptance of what has turned out to be the long-term practicality of some industrialists' collaboration with Nazi crimes. Today the Flicks, Quandts, Porsche-Piëchs, and Oetkers remain among the richest families in Germany». <sup>70</sup>

It is not quite clear how postwar success can be defined simply in terms of «long-term practicality». To start with, it is not clear how «practical» was collaboration. On some issues, collaboration required making longer term investments that were a gamble. The late Christoph Buchheim and Jonas Schirner consequently give a slightly different twist to the debate: the state had to create incentives to push firms to collaborate with its goals: pushing rearmament, which required large investments in new capacity, in order to build the resources to fight a war for Lebensraum. In their view, «firms did not want to invest in industrial assets because they were afraid of being left with overcapacity when the state-driven economic boom came to its expected end». Compulsion was not enough: «if its goals were to be successfully realized, the state had to make them compatible with businessmen's interests as far as possible». <sup>71</sup>

Where Hayes however is completely persuasive is in stressing path dependence: it was very costly to break with the Nazi regime, as the Thyssen case in 1939 demonstrates. He thus concludes that the road to the most destructive actions of German business, in consequence, had been made in the leadup to the war, rather than in the middle of the conflict, when state direction became more interventionist. In his words, «To most firms that became instrumental in the Holocaust, the switches had been thrown on the route to complicity before systematic slaughter began in 1941, and they could not be thrown back without attracting suspicion and/or punishment.» <sup>72</sup> There was a path dependency: «Far more significant is an older and persistent myth that greed was the driving force behind corporate complicity in the Holocaust. To be sure, money was seldom irrelevant as a motive or rationale, but rarely was it predominant, for the simple reason that not much

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<sup>70</sup> Peter Hayes, *Profits and Persecution. German Big Business in the Nazi Economy and the Holocaust*, Cambridge 2025, 157f.

<sup>71</sup> Christoph Buchheim/Jonas Scherner, *Corporate Freedom of Action in Nazi Germany. A Response to Peter Hayes*, in: *Bulletin of the German Historical Institute* (2009), 43–50, quotes from 46 and 50; see also Christoph Buchheim/Jonas Scherner, *Anmerkungen zum Wirtschaftssystem des «Dritten Reiches»*, in: Werner Abelshauser et al. (eds.), *Wirtschaftsordnung, Staat und Unternehmen. Neue Forschungen zur Wirtschaftsgeschichte des Nationalsozialismus. Festschrift für Dietmar Petzina zum 65. Geburtstag*, Essen 2003, 81–97; Peter Hayes, *Corporate Freedom of Action in Nazi Germany*, in: *Bulletin of the German Historical Institute* (2009), 29–42.

<sup>72</sup> Hayes, *Profits and Persecution* (cf. n. 70), 117.

of it was usually involved, at least as a portion of the cooperating corporations' income.»<sup>73</sup>

Carl-Ludwig Holtfrerich tried to explain the task of business historians, «the objectivity of science lies precisely in finding the causes of moral failures, in the same way as criminality can be explained by the social milieu».<sup>74</sup> The search for morality puzzled outsiders. The Israeli human rights lawyer Leora Bilsky asked,

Why would historians feel the need to insist on offering moral conclusions? Did the subject matter affect them so much personally that they responded with moral outrage? Did they simply adopt the moral discourse promoted by the corporations in their efforts to deny legal responsibility, or conversely, did they seek to assert their independence by clearly condemning the corporation? I would like to suggest that the answer lies elsewhere, in the difficulties of analyzing the banality of evil. The effort to understand in depth how individual managers adapted to the Nazi policies creates the danger of identifying with or justifying their actions.<sup>75</sup>

The danger is not just a question of historical judgment. If evil is banal, it is surely widespread, even omnipresent. The analysis produced by scholars as diverse as Bilsky and Hayes makes Nazi Germany much less like a dictatorially planned economy, and more like a modern mixed economy, in which governments tweak incentives – and threaten or impose deterrents, ranging from fiscal penalties to expropriation. In short, modern audiences could learn something about state engagement in the economy, even from an apparently deeply abnormal, criminal, but also organizationally chaotic state. The lessons are applicable to Russian business leaders engaging with Vladimir Putin, Turkish responses to Recep Tayyip Erdoğan, and also to initial American responses to the Trump administration. Former Vice-President Al Gore, for example, claimed that there were «important lessons» to be learned from similarities with the early days of the rise of Nazi Germany.<sup>76</sup> Timothy Snyder popularized the use of the term «anticipatory obedience», or «vorausseilender Gehorsam», originally used in analyses of Nazism, as a way of understanding contemporary tyranny: «anticipatory obedience is a political tragedy.»<sup>77</sup>

21<sup>st</sup>-century capitalism has more larger-than-life figures even than the classic era of 19<sup>th</sup> century *Gründer*, certainly than the bureaucratic figures of the mid-20<sup>th</sup>-

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73 Ibid., 131.

74 Carl-Ludwig Holtfrerich, *Die Banken aus makroökonomischer Sicht*, in: Lothar Gall/Manfred Pohl (eds.), *Unternehmen im Nationalsozialismus*, Munich 1998, 37–40, here 38.

75 Leora Bilsky, *The Holocaust, Corporations, and the Law. Unfinished Business*, Ann Arbor 2017, 160.

76 Al Gore *Draws Parallels*, in: The Guardian, 22.4.2025, <https://www.theguardian.com/us-news/2025/apr/22/al-gore-trump-nazi-germany> [last access 1.2.2026].

77 Timothy Snyder, *On Tyranny. Twenty Lessons from the Twentieth Century*, New York 2017.

century corporation, including the corporation under National Socialism: Steve Jobs, Bill Gates, Peter Thiel, Elon Musk in the United States, Jack Ma in China, Masayoshi Son in Japan. Some – Musk and Ma – have been involved in spectacular clashes with political authorities. Today businesses and their leaders have a much greater visibility, with the press following every nuance in the development of their relations with figures such as Donald Trump or Vladimir Putin. There are also more spectacularly criminal businessmen than in the 19<sup>th</sup> century, who go beyond common fraud: the fugitive Austrian former Wirecard businessman and suspected Russian agent Jan Marsalek surely belongs in this category.

## Principal-agent theories

The idea of the corporation as the main actor in business relations was modified by two big shifts of the late 20<sup>th</sup> century. First the move to stakeholder capitalism, in which focus shifted from managers and shareholders to employees, but also to society at large, with a new emphasis on corporate social responsibility.

Just after the 2008 Global Financial Crisis, Rakesh Khurana published a prize-winning book with a radical thesis: «From Higher Aims to Hired Hands».<sup>78</sup> An untenured professor when he wrote the book, Khurana rose to become the dean of Harvard Business School. Business schools, with an increasingly academic emphasis and a penchant for game theory, had taught their students to think of firms as a system of contracts between self-interested individuals, with incentives to maximize their own return at the expense of the longer-term gains of the company, or of the community. The field of investment banking was the most obvious application for such a diagnosis of pervasive principal-agent coupled with time-consistency problems. Bankers had an incentive to maximize short term returns with risky, higher yield products, in the relatively secure knowledge that there might be defaults, but not over a time period when it would affect their individual remuneration. The deduction was that business schools were educating their students to undermine the traditions that had made the corporation a successful and durable institution.

Even without knowing game theory, managers in businesses might act in accordance with changing incentives. Perhaps this too was part of the problem of corporations in the Nazi era. Some, often younger and more junior figures, saw national socialist ideology as a way of gaining in a bureaucratic struggle at the expense of older, more established, and less ideologically driven figures. In analys-

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<sup>78</sup> Rakesh Khurana, *From Higher Aims to Hired Hands. The Social Transformation of American Business Schools and the Unfulfilled Promise of Management as a Profession*, Princeton 2010.

ing Deutsche Bank in the 1930s, I developed something of this explanation for the action of younger men such as Walter Pohle, who managed the brutal takeover or «aryanization» of the Böhmisches Union Bank.

## Conclusion

The 1990s and 2000s were then the heyday of a scholarly analysis of corporate structures, at the moment when the reality was becoming more complex, and old structures were eroding. The owl of Minerva spreads its wings at the falling of the dusk. In the 1990s it was common to distinguish two types of capitalism, in line with Michel Albert's diagnosis of a specifically Rhineland form, characterized by family capitalism and long-term stakeholding, as distinct from a liberal market capitalism of the Anglo-American kind. By the new millennium, literature on the forms of capitalism became more and more diverse and multi-coloured. There was no longer a simple binary between liberal market economies and coordinated market economies, as postulated at the turn of the millennium.<sup>79</sup> A survey by Robert Fredona, Sophus A. Reinert, and Teresa da Silva Lopes notes:

In addition to some old standards (agrarian capitalism, late capitalism, state capitalism, financial capitalism, global capitalism, transnational capitalism, racial capitalism, managerial capitalism, casino capitalism, crony capitalism, consumer capitalism, colonial capitalism, climate capitalism, eco-capitalism, green capitalism, surveillance capitalism, ethical capitalism, war capitalism, welfare capitalism, and stakeholder capitalism), in the last few years alone books have been published with all of these more or less novel forms in their titles: collaborative capitalism, connected capitalism, grassroots capitalism, brand-name capitalism, knowledge capitalism, cognitive capitalism, Mediterranean capitalism, magical capitalism, gendered capitalism, sugar daddy capitalism, pension fund capitalism, violent capitalism, vulture capitalism, bingo capitalism, blood capitalism, feudal capitalism, booty capitalism, revenge capitalism, plastic capitalism, keystone capitalism, twilight capitalism, glitch capitalism, spiderweb capitalism, crack-up capitalism, chokepoint capitalism, cannibal capitalism, and woke capitalism.<sup>80</sup>

Most of these volume titles carry a heavily negative connotation. Capitalism had become a shape-shifting phenomenon, a global chameleon, that – to use a Wagnerian metaphor – constantly deployed its Nibelungen *Tarnhelm*. As it changed, the transformations obscured history?

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<sup>79</sup> Peter A. Hall/David Soskice (eds.), *Varieties of Capitalism. The Institutional Foundations of Comparative Advantage*, Oxford 2001.

<sup>80</sup> Fredona/Reinert/da Silva Lopes, *Forms of Capitalism* (cf. n. 21), quote from 16.

Did the profound historical analysis of the past change the way managers actually thought about their main activities, as opposed to their historic responsibilities? Hardly. It became ever more attractive for globally active enterprises to work with autocratic states, whose economies were developing rapidly, China and Russia, without asking many questions about the conditions of employment or human rights records. The Russia lobby in German business had a powerful reflection in both major parties, with SPD and CDU figures alike pleading, in part with commercial motivations, for better relations with Russia. Deutsche Bank did business with the New York real estate developer, Donald Trump, at a time when better established New York banks were more cautious. The historical accounts in corporate histories, by independent academics, oddly failed to analyse this development, and that task was left largely to freelancers or to journalists.<sup>81</sup>

Gerald Feldman concluded his survey of the history of Allianz in the Nazi period: «Nevertheless, capitalist institutions and those who guide them do have a special responsibility in societies organized on the basis of private property and liberal economic principles. This was a responsibility that they not only failed to meet but also betrayed under National Socialism.»<sup>82</sup> He did not think that it would be conceivable to ask the question in a future when organization around liberal economic principles was no longer self-evident. One of the key arguments he made was that German business leaders were suffering from a «cognitive catastrophe», a term originally employed by the political scientist Karl Deutsch, as a warning to contemporaries.<sup>83</sup> Today, as technology makes old managerial hierarchies obsolete, the traditional notion of the corporation is vanishing. At the same time, the rapid development of AI has the potential of creating a new cognitive catastrophe.

Capitalism in the early 21<sup>st</sup> century became diverse and omnipresent. But it was widely understood as seeking to undermine market relations, through the imposition of structures of thought or structures of power. Business history thus expanded beyond a narrow concern with the corporation, its governance structure, and its operational practices: it moved into cultural and political history as well, and rediscovered the idea of charismatic individuals as entrepreneurs. The idea of charisma was everywhere, in culture and politics. In a sense, then, as it moved away from the focus on the corporation and its internal logic, business history became universal history. And universal history offers a much bigger sense of a balance sheet of society, as Friedrich Schiller knew very well back in 1789.

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<sup>81</sup> Contrast the new history of Deutsche Bank, Werner Plumpe et al., *Deutsche Bank. The Global Hausbank, 1870–2020*, London 2020, with David Enrich, *Dark Towers. Deutsche Bank, Donald Trump, and an Epic Trail of Destruction*, New York 2020.

<sup>82</sup> Gerald D. Feldman, *Allianz and the German insurance business. 1933–1945*, Princeton 2001, 537f.

<sup>83</sup> *Ibid.*, 76f.; *Parley in Berlin Compares the 80's to the 30's*, in: *New York Times*, 16.1.1983.