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DÉBAT

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PERSPECTIVES SUR  
LES ENTREPRISES  
LATINO-AMÉRICAINES  
ET LEUR HISTOIRE

Avec

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***L'Amérique latine a développé des entreprises au fonctionnement complexe et au rôle important. Certaines sont même devenues des multinationales. Quelle est la spécificité de l'histoire des entreprises en Amérique latine ? Quels en ont été les principaux développements depuis 20 ans ? Quels sont les caractères originaux des firmes latino-américaines ? Quelle a été l'influence du cadre institutionnel, et en***

***particulier de l'Etat ? Comment les systèmes des affaires nationaux ont-ils changé ? Quelles sont les voies nouvelles à encourager dans les recherches ?<sup>1</sup>***

**1. WHAT ARE THE MOST DISTINCTIVE FEATURES OF LATIN AMERICA'S BUSINESS HISTORY?**

**Rory M. Miller:** Looking at the region as a foreigner who teaches international business history, I would emphasize two points. First, the configuration of the local private sector, the state, and multinational enterprise is rather different in Latin America compared with many parts of the developing world. As a consequence, the relationship between the state and foreign companies has been one of the most heavily studied themes, but often within an imperialism/dependency rather than a business history framework. There has been less research, unfortunately, on the relationship between the state and the domestic business elite, and on the connections between the latter and foreign companies. The second point I would emphasize is the long history of immigration into Latin America, and the importance of immigrant entrepreneurs in laying the foundations for many firms.

**Javier Vidal Olivares:** The fundamental element has been the re-evaluation of the firm as an institution whose historical evolution is worth studying. For more than three decades firms and enterprises had not been a theme of historical study because they did not interest the social scientists. Between 1960 and 1980 the prevalence of leftist approaches in the social sciences in universities and research institutions in Latin America implied, in my view, the rejection of firms as a possible instrument of social

change and of improvement in the living conditions of the population.

**Carlos Marichal:** As a relatively young member of the family of disciplines that make up economic history, business and entrepreneurial history constitutes a recent, yet very productive, research field in several Latin American countries, notably Argentina, Brazil, Colombia and Mexico, the places where most studies have been published. In this sense, it should be noted that only twenty five years ago very few papers on the history and evolution of Mexican enterprises existed, except for some of the older ones, in particular haciendas and plantations as well as some mining enterprises dating from the colonial period and the nineteenth century. Now the situation has changed and a proliferation of studies of businessmen and enterprises from the nineteenth and twentieth centuries can be observed as well as a growing volume of research projects on the development of large contemporary enterprises. In making this comment I am referring not only to the number of publications but also the diversity and richness of the topics studied: banking, industry, commerce and services, transport, and the structure and organization of business enterprises.

**Mario Cerutti:** If the question refers to studies of business history, rather than the historical process itself, then one crucial fact has been (and is) the ability to locate these studies in a context free from ideological debate. This means that it has been possible to define business as a target *to study* and not as a target *for attack or apology*. It is important to highlight that difficulties of this kind are not uncommon in the social

<sup>1</sup> The editors are grateful to Rory Miller, who controlled the final English version of this debate.

sciences in Latin American universities, where, quite often, research on businesses and businessmen is considered to be a clear sign of ideological complicity with them.

**Tamás Szmrsecsányi:** Business history in Latin America, as a branch of economic history or a semi-autonomous discipline, seems to be not only a relatively recent field of teaching and research, but also one that was introduced from abroad rather than one that originated internally. On the other hand, it may be characterized by the importance it attaches to the activities of multinational and free-standing enterprises, and to the relationships between private entrepreneurship and the roles of native and foreign governments.

**Raúl Jacob:** In our continent business history is a relatively new branch of knowledge, in which some of the research output is inspired by or related to what is now being done in academic centres in Europe and North America, while the majority of work has, for a long time, been heavily influenced by the *Annales* school.

It can be argued that a far from negligible part of literature is characterized by a very traditional thematic perspective, with little in the way of theoretical contributions. It may also suffer from the mechanical adoption of assumptions drawn from realities that are different from ours. A further problem is a limited interest in methodological issues. While not ignoring the significant breakthroughs that have been made in the past quarter of a century, one can observe that we still have not reached maturity.

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## 2. WHAT HAVE BEEN THE MOST SIGNIFICANT ACCOMPLISHMENTS IN THE LAST TWENTY YEARS?

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**Rory M. Miller:** Without any doubt the research on banking and finance in Latin

America, and hence on the centrality of financial institutions in the formation of business networks. The advances in this area have been striking in a number of countries: in Mexico due to the work of Carlos Marichal and Leonor Ludlow, and later Noel Maurer and Gustavo del Angel; in Brazil due to María Bárbara Lévy, Gail Triner, Anne Hanley, and now Aldo Musacchio; in Argentina Andrés Regalsky, and more recently Marcelo Rougier; in Peru Alfonso Quíroz.

**Javier Vidal Olivares:** The progressive incorporation of business history in the agenda of research in Latin America has improved the contributions substantially. In particular it should be pointed out that in Argentina and Mexico the literature dealing with business history has increased substantially. To some extent this has also been true of Brazil and, more recently, Colombia.

**Carlos Marichal:** Within this context of a rich and diverse economic history, business history is beginning to reach a relatively important level in research. The number of books and papers is already quite impressive, and the collective efforts that have been made in research in Argentina, Brazil, Colombia, and Mexico are very significant. One should also note the importance of journals based in Latin America which publish articles on business history: *História económica & história de empresas*, which has been published since 1995 by the Brazilian Economic History Association, *América Latina en la Historia Económica*, from Mexico, which has now published more than 30 volumes, and other more recent ventures, such as the electronic *Boletín de la Red de Historia de Empresas*, edited semiannually by María Inés Barbero and her collaborators in Argentina. In general terms it can be observed that studies in business history in Latin America are undertaken by economic historians and a growing number of economists, but, in my opinion, they have still not received adequate recognition from

professors in business, management, and accounting faculties (public and private), at least in the case of Mexico.

**Mario Cerutti:** In the light of my answer to the previous question, the major achievement is the creation of forums of discussion that are not linked to ideological controversy. This has allowed the appearance of some elements that help in institutionalizing the subject: symposia, seminars, networks, and publications. At the same time, and despite limited economic resources, the ability to find reliable sources of information, discover appropriate methodologies, and transfer useful ideas and concepts to the Latin American research environment often stands out.

**Tamás Szmrecsányi:** The most significant results in the field in the last twenty years have been a great increase in local works (published or not), and the improvement in the quality of their contents. As a result the evolution of national enterprises in countries like Argentina, Brazil, Colombia and Mexico has become better known and understood, enabling the development of a synthesis that is capable of generating new working hypotheses and stimulating more focused research projects.

**Raúl Jacob:** Business history shows a healthy tendency towards professionalization, its definition as a sub-discipline, and the strengthening of academic relationships among Latin American countries and with the rest of the world. The consequence has been the re-evaluation of the private businessman as a historical subject, and of the firm as a microeconomic space and as an interdisciplinary object of study.

This development has gone hand in hand with that of the social sciences in general and economic history in particular. It is embedded in a more complex process in which the creation of institutional mechanisms (the foundation of economic history associations, of chairs and university

departments, the growth of specialized publications, the increased number of academic meetings, the facilities for postgraduate study abroad) has had a relevant role. The revision of ideological paradigms that were thought to be immutable has certainly had a significant impact.

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### 3. WHICH ARE THE MAIN SPECIFICITIES OF LATIN AMERICAN FIRMS STUDIED IN A HISTORICAL PERSPECTIVE?

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**Rory M. Miller:** I would emphasize two points, one well known, the other perhaps more obscure. The first is the dominance of family business groups and their survival and adaptation through periods of rapidly changing economic environments and policies. The family business group was the characteristic business form of the late nineteenth century and it continues to be so 120 years later. While there are few groups that have survived for that long, in most countries the dominant ones have normally been those that were able to adapt well to changing circumstances, which demands a fair degree of entrepreneurship and management talent. The second important characteristic that is beginning to come to light is the entrepreneurial and innovative behaviour of capitalist landowners, who were frequently derided as primitive and backward looking in the 1960s and 1970s but who are now coming to be recognized as entrepreneurial in their own right.

**Javier Vidal Olivares:** The high levels of protection suffered by most of the region from 1950 fostered a type of firm that was relatively isolated from foreign competition. The limited exposure to world markets during the period of Import Substitution Industrialization (ISI) has made companies very vulnerable, in particular because of their dependence on state protection. The overwhelming presence of the public

enterprise meant the loss of opportunities to incorporate improvements in management and commercialization within the firms, whether public or private. In terms of innovation and strategy private-sector firms could hardly develop in these protected markets. The process of liberalization during the 1980s and 1990s made them more vulnerable, although many of them were able to adapt to the new situation, giving rise, in some cases, even to companies of transnational character, the so-called *multilatinas*. However, once public companies were privatized they often did not pass into the hands of the domestic family and managerial groups that might have given a stimulus to the creation of more competitive companies. In many cases privatization meant that formerly state-owned enterprises were acquired by foreign firms, especially in sectors like banking, electricity, telecommunications, and the oil and chemicals industries.

**Carlos Marichal:** During the colonial period of Spanish American history, it seems to me, one interesting phenomenon is the appearance of more research on major enterprises, especially those in silver mining (which were among the most important and complex during the *Ancien Régime*), and the tobacco monopoly in the second half of the eighteenth century, which was the largest transatlantic company of the period, efficient and profitable even though it was state-owned.

If we move to the nineteenth century, we lack many studies of the state-owned enterprises of the period. One work that stands out is the book by Jorge Schvarzer, who sadly died a few months ago, on the Ferrocarril Oeste in Argentina. For the end of the nineteenth and the beginning of the twentieth century, in many countries there is a lack of studies of large international firms, such as the railway, mining, or agro-industrial companies. The studies which already exist show us that the Latin American economies had attained a remarkable degree of development and

complexity at the beginning of the twentieth century.

For the most recent epoch, it seems to me that interest in the growth of Latin American enterprises that have internationalized, the *multilatinas*, is evident. However, there are few detailed studies on the rise and fall of state-owned enterprises in the region, on the principal North American and European multinationals, and on oil companies, whether they were national or foreign.

**Mario Cerutti:** In countries such as Mexico we have not found significant differences with what we know about Spanish or Italian business.

**Tamás Szmrecsányi:** Historically, Latin American business enterprises have always been strongly influenced in their activities and growth by the evolution of domestic economic policies and by the fluctuation of their countries' international relations. These have been the main variables that have determined the extension of their markets and the structure of their costs.

**Raúl Jacob:** I do not think that there is a single trend; Latin American diversity also has a role. With respect to the Southern Cone, I would point out the great impact of immigration, the coexistence of a multiplicity of enterprise models during the nineteenth century (from European regions and countries, and, later, from immigrant groups who came from the Ottoman Empire).

The role of the family firm, the predominance of small and medium enterprises, the tendency towards diversification of investments and the generation of business groups are other significant characteristics that can be appreciated over the long term.

But in a short statement one also cannot avoid mentioning the state as an actor and the role of public enterprises. In some countries these are or have been the firms with the

greatest economic weight and, in consequence, the most important.

#### 4. WHAT HAS BEEN THE INFLUENCE OF THE INSTITUTIONAL FRAMEWORK ON FIRMS' STRATEGIES AND PERFORMANCE IN LATIN AMERICAN COUNTRIES?

**Rory M. Miller:** The activities of the state are fundamental, but in contrast to East Asia the state in Latin America has frequently been neither as autonomous nor as consistent in its behaviour. In addition the state has normally not been an efficient manager of public sector enterprises over the long term, as these were often used to serve political rather than developmentalist ends. With the exception of Brazil and Colombia, perhaps, the high points of developmentalist policies in Latin America came under states that were frequently anti-business in their rhetoric. The combination of this kind of behaviour on the part of the public sector, coupled with the continuing inflow of foreign investment for much of the ISI period, meant that the space for local business actors was frequently restricted, and the unpredictability of the state put a premium both on getting privileged access to it (rent-seeking behaviour), and on being able to adapt quickly to changing political conditions (thus emphasizing short-term rather than long-term thinking).

**Javier Vidal Olivares:** If the institutional framework constitutes the decisive element in the creation of the rules of operation within which firms, managers and entrepreneurs must work, there is no doubt that these norms have marked and deeply influenced the strategies of the firms. For the initiatives made by local entrepreneurs the institutional framework has been fundamental. In particular it has encouraged or discouraged investment but also facilitated

innovation or internationalization. However, the exaggerated interventionism of the state in certain historical periods and countries, at times not even guaranteeing property rights, has been a powerful disincentive to the creation of new business. This has been particularly important with respect to foreign companies which have had to restrain their investments at certain points due to sudden alterations in the institutional framework or political uncertainty, which did not give them sufficient guarantees with respect to the contracts that they had already negotiated.

**Mario Cerutti:** The institutional context is fundamental. The conclusion which one might reach after studying fifty years or a century of Latin America's economic history is: how can firms and businessmen actually exist and operate in societies with such an untrustworthy institutional system?

**Tamás Szmercsányi:** The institutional framework of these enterprises' activities and growth has been intensely shaped by state interventionism (or not) in areas like labour relations, finance, foreign trade, intellectual property legislation, etc. The variable presence of multinationals in individual national economies in Latin America has been another important factor of change.

**Raúl Jacob:** The businessman and enterprise in Latin America cannot be known or understood completely if one does not take into consideration the institutional framework, with which they had to co-exist and which they have tried to survive. There is a paradox in the sense that the failure of a firm does not necessarily mean that its manager was a poor entrepreneur. In certain specific circumstances a conservative strategy could be the most rational response from an economic point of view.

In Uruguay, for example, except for some notable exceptions, policies have normally been made on a short term basis, changing with each administration. One might say that they were the policies of a particular government, rather than a coherent state

policy. Between 1931 and 1974 exchange controls were in operation, a mechanism through which the state distributed import licences and assigned differential exchange rates for commerce, industry and agriculture. For forty years, between 1957 and 1998, the consumer price index in Uruguay averaged an annual rate of increase of 50%, with three years of three-digit inflation.

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## 5. WHAT CHANGES CAN BE OBSERVED IN THE BUSINESS SYSTEM OF LATIN AMERICAN COUNTRIES IN THE LAST 20 YEARS?

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**Rory M. Miller:** First, with a handful of exceptions (currently Venezuela, Bolivia) very few business owners and managers feel themselves under threat from the state. Second, privatization has meant a new influx of foreign capital into natural resources and services. It is curious, for someone like me who spent the early stages of his career researching conflict between the state and foreign enterprises in the late nineteenth century, to see similar problems – frozen charges for services, lack of the levels of investment a government had anticipated, a split of profits regarded as unfavourable to Latin Americans – returning to haunt relations between governments and foreign firms in the early 21<sup>st</sup> century. Third, the growth of the so-called *multilatinas* in the last ten years is striking. There is a Mexican multinational company (CEMEX) operating quarries and cement plants no more than 25 kilometres from my home in Chester (North West England).

**Javier Vidal Olivares:** The main change that has been experienced is a favourable response by companies and managers to the opening of the economies. On the other hand competition has forced companies in Latin America to improve their cost strategies, to improve their investment in

human capital, and to try to be more international.

**Tamás Szmrecsányi:** During the last twenty years, the business system of all Latin American countries has become globalized. This has resulted not only in a further internationalization of their economies, but also in the appearance of an increasing group of quite competitive Latin American multinational enterprises in several business sectors.

**Raúl Jacob:** There is a new institutional framework, with a less regulatory state, which in some countries has boosted the privatization of some of the public sector firms. In the Southern Cone the configuration of business has changed as a consequence of the greater openness to world trade and the process of regional integration that has developed from the foundation of Mercosur in 1991.

In recent decades the tendency to internationalization has been accentuated, a process that has been led by large family business groups. In the meantime other firms which had a long history have disappeared or have been sold to investors from other countries. A new type of businessman has emerged, one who has had a formal university education, is entrepreneurial, and is open to the world. Perhaps the largest changes can be felt in the agricultural sector, with the adoption of new technology, a result of access to information technology and breakthroughs in biotechnology.

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## 6. WHAT ARE THE MAIN PENDING ISSUES IN THE BUSINESS HISTORY AGENDA IN LATIN AMERICA?

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**Rory M. Miller:** Some of the gaps that I identified a decade ago in the introduction to the English version of *Business History in Latin America* (Liverpool University Press,

1999) remain understudied: (a) the management and performance of state-owned enterprises across the continent between the 1950s and the 1980s; (b) urban-based business sectors such as construction, property development, road transport and distribution, and retailing; and (c) the professionalization of management in Latin America, without which the recent growth of the *multilatinas* could not have taken place. I would now add a further point: business historians working in Latin America need to find a platform from which they can contribute to global debates. The most obvious seem to be on state-owned enterprises and their problems, and on family business groups. Both of these should gain in salience with the shock to the Anglo-Saxon business model caused by the crisis of 2008, and hence to Chandlerian assumptions about the primacy of the US model of business organization.

**Javier Vidal Olivares:** There are many topics, areas and sectors to study. The agenda is not the same for every country since the literature about business history has developed in different ways. One important first step is to stimulate research projects that reconstruct the biographies of businessmen and entrepreneurs. In this way one would obtain a starting point for work on entrepreneurial capacity in different countries and in different historical periods. A systemic plan should be to work on three basic areas: public enterprises; innovation and organization; and the company and family firms. If these three topics were studied in all the economies in a coordinated way it could throw many points of light on the characteristics of Latin American firms. Once this agenda was complete comparisons among the diverse countries and business sectors would be clear, and it would be possible to arrive at historical explanations that demonstrate the specific features of business structures in Latin America. This is

an objective that we have brought about in the workshops that we started among colleagues coming from Colombia, Mexico and Spain. The first of the meetings took place in Cartagena de Indias (Colombia) in August 2007 and was a success. In February 2009 the second workshop has taken place in Saltillo (México), where the research agenda was devoted to the three topics that I have mentioned. I hope that we shall have some research completed in order to answer some of the questions we have asked ourselves.

**Carlos Marichal:** I consider that apart from boosting research and teaching in economic and business history, another key task which is necessary for the progress and consolidation of the field is the recovery and conservation of business archives. There has been some progress in the constitution of historical business archives in several Latin American countries, but they are not enough. An especially serious problem is that presented by the disappearance of archives. The destruction of a company's archive is something similar to the elimination of files from the hard disc of a computer. In fact, archives are the memory of Mexican enterprises and it requires significant effort and commitment to be successful in ensuring their conservation.

International examples can serve as models. The recovery of business archives in recent years in Europe, Canada and the United States has been remarkable. What has been crucial is the collaboration of the academic sector in order to convince firms of the need to preserve their historical archives<sup>2</sup>. The constitution of different business history associations that give a boost to this task, the publication of research, and the organization of symposia are important: look, for example, at the European Business History Association, the European Banking History Association and the Business History Conference in the United States, each of

<sup>2</sup> See *Entreprises et Histoire*, n° 29 bis, June 2002.



which has an excellent web site. In fact, it should be noted that in associations such as these it is not only historians who participate actively, but also the managers of historical archives from a wide range of companies.

**Mario Cerutti:** There are many pending issues indeed. In spite of the achievements and advances in some of our countries, there is still a large gap to fill. This is partly because business is extremely dynamic. It has a great capacity to adapt to both local and international contexts, and this requires researchers to modify their ideas, adapt their methods of enquiry, and re-orientate their objectives. In summary we need to recognize the obvious historical and current heterogeneity of the business world, the institutions which encourage or disturb it, and the various actors that have influence upon it and from it.

**Tamás Szmrecsányi:** In terms of future research on Latin American business history, two issues should be stressed. One is to secure access for scholars and graduate students to business archives that are not current (for instance those holding documents older than ten years). The other is

concerned with a greater interchange among the continent's scholars in order to arrive at common and shared projects on related industries or activities.

**Raúl Jacob:** The first task is to try to include in the agenda those countries of Latin America that are absent today, integrating them.

The second is to recognize that the great projects in Latin American history have been supra-national. As a consequence it would be beneficial to undertake comparative studies between countries, taking into account their role within particular regions of Latin America. This would allow the development of specific typologies and rectify one of the things we lack: a theoretical framework based on the characteristics and specificities of our own region. Paying more attention to methodological problems should be another of our goals.

And on the basis of these considerations we have to make sure to go forwards with courage into new thematic areas, revise others that have already been studied, and smoothe out the uneven development of this field of history.