CENTER FOR THE STUDY OF LAW AND SOCIETY
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CSLS SPEAKER SERIES

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The Birth of the Business Corporation East and West: Eurasian Trade Institutions and their Migration, 1400–1700

(Forthcoming, Princeton University Press)

The business corporation dominates today's economy. But 450 years ago it did not yet exist. Until the year 1600 trade along the Eurasian landmass was mostly conducted over short trajectories along the Silk Route and the coasts of the Indian Ocean. Business was generally organized in family firms, merchant networks and state owned enterprises. But by 1700 the scene had changed completely. Goods were making their way directly from China and India, across the Indian Ocean and around the Cape of Good Hope, to northwestern Europe, by Dutch and English merchants using a new organizational form.

This new form, the joint-stock for-profit business corporation, was first designed around the year 1600 when the first two long-lasting joint-stock business corporations, the English and Dutch East India Companies were formed. Why then, why there and why for long-distance oceanic trade? What were the new organizational features of the business corporation? Which pre-existing legal and financial building blocks were employed in forming them? How did the new organizational form constitute a transformation from personally based to impersonal investment? What is the contribution of this organizational revolution to the later history of the business corporation and to the rise of Europe? The attached paper and the talk address these questions.

In order to answer the questions, the book, and the first part of the talk, first zooms out and compare the full scale of organizational forms that were used in four major civilizations: Chinese, Indian, Middle Eastern, and Western European, over three centuries. We have here a unique opportunity, a natural experiment, for a comparative institutional analysis, because all four civilizations were involved in the same kind of business activity—long-distance trade—within the same environment, the larger Indian Ocean.

An article that distills part of the book's argument is available in hard copy at the Center.

PLACE	Selznick Seminar Room, 2240 Piedmont Avenue
TIME	**12:45 – 2:00pm**. Coffee and water provided. Bag lunches welcome.
INFO	https://www.law.berkeley.edu/centers/center-for-the-study-of-law-society/
EMAIL	csls@law.berkeley.edu

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