This course of reading, writing, lecture and discussion considers aspects of the enterprise systems of Great Britain, Germany, Japan and the United States. We will examine the political and economic dynamics these four, successful, wealth-creating societies, paying special attention to impacts of government, entrepreneurship, management, and financial institutions.

The intellectual objectives of the course are to hone students’ abilities to think comparatively, over time and across cultural contexts. We will take time to consider the lessons we can learn from history and their application to nations and institutions in our own time.

Classes will be a mix of lecture and discussion of the assigned readings. Attendance is important. Short paragraphs on the assigned readings will be required for each class as a preparation for discussion. There will be a final take home essay, distributed in the penultimate class session, which will be due one week from the end of the course.

Since there are reading and homework assignments due for the first class, it is important to do the reading sufficiently in advance. Please read for comprehension. Think about what the important themes are. Don’t get lost in the mass of detail. There is absolutely nothing to memorize.

Course grades will rest mainly on the quality of the final essay, adjusted for quality of class participation and homework.
Required texts


Class Schedule and homework assignments

09/27  Patterns of modernization: government and society


Homework assignment due at the beginning of class: Write 2-3 pages about: What surprises you about the comparative economic development of the U.S. and Germany?

10/04  Dynamics of capitalism: financial systems

George David Smith and Richard Sylla, "Capital Markets;" "The Deutsche Bank" and *Japanese Capitalism* (up until World War II) in *Creating Modern Capitalism*.

Homework: Write no more than a page on: Though there is some “convergence” among different financial systems in the contemporary world, they were significantly different in Germany and the US before the 1990s. How do you account for these differences? Which system, historically, was better? Why?
10/11 am Dynamics of capitalism: entrepreneurship and management

Read: “Josiah Wedgwood” and “British Capitalism” (up until World War I) in Creating modern Capitalism.

Homework: Write a paragraph on the following question: What is particularly remarkable about Josiah Wedgwood’s business achievement?

Think about: What are the contexts in which Wedgwood’s business was developed? England’s state of development? Public policy toward business? State of the markets? Ideologies of economics/business/trade? Other?

10/18 pm Comparative advantage lost and won

Read: “Toyoda Automatic Looms…” (at least up until the 1940s) and “7-Eleven in America and Japan” in Creating Modern Capitalism.

Homework: Toyoda/Toyota managed to capture markets from superior players in the textile machinery and auto industries. What knowledge was transferred from the company’s experience in one industry to the other? How do you explain the divergence of 7-Eleven strategies and operations in the U.S. and Japan? No more than a page, please.

Also, think about how Japanese culture might have contributed to that country’s success in conquering certain markets.

10/25 New paradigms; old patterns

Read: “The European Union in the 21st Century”; C.M. Reinhardt and K. Rogoff, “This time it’s Different: A Panoramic View of Eight Centuries of Financial Crises.” Cases to be provided by the instructor.

Homework: Should Turkey become part of Europe? Why or why not? What does the article on Financial Crises suggest about the need for government regulation? No more than a page, please.

11/01 Lessons for (and from) emerging markets

Exercise to be announced.
Classroom Comportment

Classes should start on time, so please try to be on time. It’s the right thing to do. Everyone is expected to turn off all cell phones and put away all laptop computers, Blackberries, game boys, magazines, crossword puzzles, and other distracting paraphernalia during class sessions. Curiosity is a virtue. Be not afraid to ask questions, to challenge the professor and one another, and to hold forth with your own ideas about the subject matter, so long as you are polite and don’t suck the air out of the room (that privilege is reserved for the instructor). At the end of class, take out everything you brought in, save for any rubbish you can deposit in the receptacle provided. Feel free to dress as you would at home, so long as you dress at home.

Everyone is expected to abide by the School’s honor code, which is posted on Blackboard.
Instructor's Biographical Information

George David Smith is Clinical Professor of Economics and International Business at the NYU Stern School of Business. He began teaching at Stern in 1984, joined its economics faculty in 1988. He offers courses in U.S. Economic and Business History, Global Perspectives on Enterprise Systems, Markets, Ethics and Law, and Entrepreneurial Leadership. He has been a faculty member of the Berkley Center for Entrepreneurial Studies and is a research associate of the Center for Japan-U.S. Business and Economic Studies. He has been twice named a Glucksman Faculty Fellow. In 2009 he was voted the Excellence in Teaching Award in the Executive Programs.


Some of his publications include:


