

ADVANCED READING

PASSAGE 1

During the 1960's and 1970's, the primary economic development strategy of local governments in the United States was to attract manufacturing industries. Unfortunately, this strategy was usually implemented at another community's expense: many manufacturing facilities were lured away from their moorings elsewhere through tax incentives and slick promotional efforts. Through the transfer of jobs and related revenues that resulted from this practice, one town's triumph could become another town's tragedy.

In the 1980's the strategy shifted from this zero-sum game to one called "high-technology development," in which local governments competed to attract newly formed high-technology manufacturing firms. Although this approach was preferable to victimizing other geographical areas by taking their jobs, it also had its shortcomings: high-tech manufacturing firms employ only a specially trained fraction of the manufacturing workforce, and there simply are not enough high-tech firms to satisfy all geographic areas.

Recently, local governments have increasingly come to recognize the advantages of yet a third strategy: the promotion of homegrown small businesses. Small indigenous businesses are created by a nearly ubiquitous resource, local entrepreneurs. With roots in their communities, these individuals are less likely to be enticed away by incentives offered by another community. Indigenous industry and talent are kept at home, creating an environment that both provides jobs and fosters further entrepreneurship.

PASSAGE 2

Researchers compared the number of tooth fractures in present-day carnivores with tooth fractures in carnivores that lived 36,000 to 10,000 years ago and that were preserved in the Rancho La Brea tar pits in Los Angeles. The breakage frequencies in the extinct species were strikingly higher than those in the present-day species.

In considering possible explanations for this finding, the researchers dismissed demographic bias because older individuals were not overrepresented in the fossil samples. They rejected preservational bias because a total absence of breakage in two extinct species demonstrated that the fractures were not the result of abrasion within the pits. They ruled out local bias because breakage data obtained from other Pleistocene sites were similar to the La Brea data. The explanation they consider most plausible is behavioral differences between extinct and present-day carnivores—in particular, more contact between the teeth of predators and the bones of prey due to more thorough consumption of carcasses by the extinct species. Such thorough carcass consumption implies to the researchers either that prey availability was low, at least seasonally, or that there was intense competition over kills and a high rate of carcass theft due to relatively high predator densities.

PASSAGE 3

During the nineteenth-century, occupational information about women that was provided by the United States census—a population count conducted each decade—became more detailed and precise in response to social changes. Through 1840, simple enumeration by household mirrored a home-based agricultural economy and hierarchical social order: the head of the household (presumed male or absent) was specified by name, whereas other household members were only indicated by the total number of persons counted in various categories, including occupational categories. Like farms, most enterprises were family-run, so that the census measured economic activity as an attribute of the entire household, rather than of individuals.

The 1850 census, partly responding to antislavery and women's rights movements, initiated the collection of specific information about each individual in a household. Not until 1870 was occupational information analyzed by gender: the census superintendent reported 1.8 million women employed outside the home in "gainful and reputable occupations." In addition, he arbitrarily attributed to each family one woman "keeping house." Overlap between the two groups was not calculated until 1890, when the rapid entry of women into the paid labor force and social issues arising from industrialization were causing women's advocates and women statisticians to press for more thorough and accurate accounting of women's occupations and wages.

PASSAGE 4

The modern multinational corporation is described as having originated when the owner-managers of nineteenth-century British firms carrying on international trade were replaced by teams of salaried managers organized into hierarchies. Increases in the volume of transactions in such firms are commonly believed to have necessitated this structural change. Nineteenth-century inventions like the steamship and the telegraph, by facilitating coordination of managerial activities, are described as key factors. Sixteenth- and seventeenth-century chartered trading companies, despite the international scope of their activities, are usually considered irrelevant to this discussion: the volume of their transactions is assumed to have been too low and the communications and transport of their day too primitive to make comparisons with modern multinationals interesting.

In reality, however, early trading companies successfully purchased and outfitted ships, built and operated offices and warehouses, manufactured trade goods for use abroad, maintained trading posts and production facilities overseas, procured goods for import, and sold those goods both at home and in other countries. The large volume of transactions associated with these activities seems to have necessitated hierarchical management structures well before the advent of modern communications and transportation. For example, in the Hudson's Bay Company, each far-flung trading outpost was managed by a salaried agent, who carried out the trade with the Native Americans, managed day-to-day operations, and oversaw the post's workers and servants. One chief agent, answerable to the Court of Directors in London through the correspondence committee, was appointed with control over all of the agents on the bay.

The early trading companies did differ strikingly from modern multinationals in many respects. They depended heavily on the national governments of their home countries and thus characteristically acted abroad to promote national interests. Their top managers were typically owners with a substantial minority share, whereas senior managers' holdings in modern multinationals are usually insignificant. They operated in a pre-industrial world, grafting a system of capitalist international trade onto a pre-modern system of artisan and peasant production. Despite these differences, however, early trading companies organized effectively in remarkably modern ways and merit further study as analogues of more modern structures.