

PORTUGUESE ECONOMIC HISTORY ASSOCIATION CONFERENCE (13-14 November 2009)

SECTION on "The Capital Market in the last two centuries"

CALL FOR PAPERS

Not much is yet understood about the development of the Capital Market during the last two centuries in Portugal. Much of the attention of our scholars so far has been concentrated on our banking system and informal capital markets.

Firms can look either to reserves, personal networks, banks, or directly to savers to obtain the funds they need for their long-term investments. Companies and governments can look to banks and stock markets. This section welcomes papers on business experiences that may illustrate preferences for these various capital sources.

Portugal had a sluggish economic-growth path in the period leading up to the Second World War, and was near the bottom of the European periphery. Economic historians have long discussed the reasons for this failure as well as the causes for the economic success in the period from the Second World War to the 1990s. Climate, poor agricultural soil, a shortage of natural resources, illiteracy, poor institutions, and a lack of entrepreneurial skills, have been suggested as the negative factors. Generalized free trade, supra-national institutions, openness, economic integration in EFTA and the EC, have been presented as the positive factors for the economic catching-up growth after WWII. More recently, some other aspects were also suggested, such as trustable institutions and high saving rates for capital availability, particularly for the period before the first oil shock. These last factors are particularly relevant for the purpose of this section, as they command confidence and the cost of capital for private investment decision. Papers devoted to these connections and the effects on the economic growth are welcome.

In a global perspective, the last two centuries have witnessed a profound revolution in the way companies financed their long-term needs for the investments they made, either domestically or, and principally, overseas: less bank finance and more market-provided money. In continental Europe tradition has placed banks ahead of shareholders when supplying those long-term funds, a tendency that is reversed in the US, (and somewhere in-between, lies the U.K.). Papers on any national experience are welcome.

This suggests that the return required by the different fund-providers may vary significantly from one country to another because the amount of savings available in a country and the level of risk perceived by the different types of creditors may also vary widely. In Europe, that turbulence is even more noticeable due to the economic importance of the different colonial empires that were controlled by a number of nations until the 1960s, but also due to the profound impact of the two World Wars that plagued that continent. All papers devoted to the impact of these events on the capital sources for entrepreneurship are also welcome.

For submitting your paper, please send the title and an abstract (about 200 words), until April 30, to

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