

Podnik v osídlach štátu. Podnikateľské elity na príklade Rimamuránsko-šalgotárjárskej železiarskej spoločnosti [Enterprise in the Traps of the State. Business Elites through the Example of the Rimamuránsko-Šalgotárjánská Iron Company]. By Štefan Gaučík.

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At the beginning of the twentieth century, it was not only market mechanisms that influenced the development of industrial companies in the former Austria–Hungary. Interests and their conflicts would arise at higher levels, depending on the size of the capital that was concentrated in a company. Since the Rimamurány-Salgótárján Iron Works Ltd. (henceforth: Rima) was one of the largest in the region, it has attracted the interest not only of the elites of the era, but also of historians. With his study published in Slovak, Štefan Gaučík¹ intends to open a new narrative alongside nation-oriented Slovak economic history writing: he places the Slovak history of entrepreneurial elites into a Central European context. Gaučík's chapters are logically structured to provide answers to his questions, with the overall aim of defining the concept of economic elites through the role of entrepreneurs in Rima, thereby opening a discourse on power relations in industry.

Chapters One “Impulses and Processes” and Two “»Tools« and Methodology” function as an introduction, in which the author situates himself in relation to the subject and adopts a more personal tone. At the same time, Gaučík articulates a methodological framework that exceeds the complexity typical of conventional general historical narratives. Chapter Three “Structure, Sources, and Research

1 Štefan Gaučík PhD (István Gaucsík) is a research associate at the Institute of History of the Slovak Academy of Sciences. He has numerous publications in Slovak, Hungarian, and English on the social and economic history of the Hungarian Kingdom, Slovakia, and Hungarians in Czechoslovakia. A detailed list of his publications is available on the SAV website.

Goals” provides a framework by raising the questions that are to be answered in the research. Chapters Four “Theoretical Background” and Five “Historiographical Interpretations of the Rima” are descriptive and summarizing, determining the research trajectory and placing the subject in its historical context. Chapter Six “Business Management and Administrative Personnel” focuses on the exercise of power over the company, the issue of the hegemony of managers and banks, presenting the apparatus of corporate control and the hierarchies affecting its operation. Chapter Seven analyses corporate control and its possible business strategies in the light of the changes of power following World War I. Chapter Eight “Slovak-Affiliated Enterprises in the Rima and New Commercial-Political Strategies [1918–1924]” serves as Gaučík’s brief conclusion, while the last sections contain the appendices “Annual Composition of the Board of Directors”; “Organizational and Administrative Structure of the Company”; “Salary Scales within the Corporate Structure”; “Wage Distribution of Company Employees by Year, Division, and Position.”

Reading Gaučík’s brief summary of the research methods of economic history, it is clear that the author’s intention is to include international discourses in Slovak historiography.² In fact, he uses neo-institutionalist historiography to analyse the activities of economic actors through available archival sources. Since the role of national history became significant in the nation states emerging after the Paris Peace Treaties, and a company as important as Rima has attracted historians’ attention, let alone because of the availability of sources, both Slovak and Hungarian historians have dealt with the historical role of the factory. However, these studies were often born in separate literary spaces without creating a discourse between them. Following thorough research, Gaučík presents Slovak and Hungarian historical works in relation to Rima, adapting them to his research. Regarding Slovak historiography, the author criticizes the ethnocentric explanations, which in many cases, completely ignored internationally accepted methods of historiography. He agrees with historian Zdeněk Němec, who also criticized this attitude in the 1960s. Since the 1970s, Hungarian historians have paid more attention to the history of Rima, but they mostly addressed the years of Austria–Hungary and the socialist era and did not use the sources found in the State Archives of (Czecho)Slovakia.³

2 In the theoretical part, which got less attention than other parts of the monograph, Gaučík did not reflect on the methodological critiques of the new economic history or cliometrics on which his work is based. However, the author’s concept is explained by the historiographical tradition against which he aimed to create a Central European context in Slovak historiography in contrast to the nation-building narrative.

3 The author has expanded the range of Hungarian-language works dealing with the history of Rima in this field: Gaucsík, “A nosztrifikáció és a pénzügyi kérdések rendezése”; Gaucsík, “A Rimamurány-Salgótarjáni Vasmű Rt.”; Gaučík, “Válság és reintegráció.”

The two most interesting chapters of the monograph, which in fact constitute its the backbone, are undoubtedly the historical analysis of the Rima company. By analysing the protocols of board meetings, Gaučík draws conclusions about the advocacy of the company's bankers and managers in the period between 1891 and 1918.⁴ He identifies twenty-four persons on the directorial board during this time, of whom thirteen were connected to banks (Foncière; Österreichische Länderbank; Wiener Bankverein [the 'parent bank' of the Hungarian Commercial Bank of Pest]; and the Anglo-Österreichische Bank), in addition to five managers and aristocrats, and one politician. For the purposes of financing, granting credits, and implementing capital increases, the group of bankers had extensive powers, which, however, did not mean genuine financial hegemony over the company, but within certain limits they still managed to advocate for certain interests. Managers enjoyed a strong position during the period. They were always present at board meetings and influenced the outcome of decisions with their expertise. Gaučík sees the history of Rima's management as a confirmation of Schumpeter's thesis that entrepreneurs are the engine of innovation in the company. However, without the cooperation of the banking sector, this would have been impossible.

The monograph discusses the firm's operation through the hierarchy of employees, thereby revealing the organizational structures and their individual motivations, as well as the company's social embeddedness. Gaučík identifies three 'sets' at Rima that connected the company to society. Firstly, the specific nature of production and the structural functions of the organization, which are the company's administration and its commercial and technical structure, point to the fact that the company was operated from inside by the lower strata of the leadership. Secondly, they promoted them externally in the spirit of the specific corporate identity and culture, since in addition to know-how, loyalty to the company was also expected. The third 'set' was the sum of external factors that generally characterized the country's iron and steel industry (such as competition, the development of markets and deposits of raw materials, cartels, and lobbying). The regulatory instruments examined by the author, which manifested in the hierarchy of employee positions, were among the formal institutional norms. Thus, Gaučík has analysed wages, bonuses, and their differentiated composition, established intra- and inter-company powers, obligations, authorizations, and sanctions. On the one hand, he identifies a narrow management group from whose perspective Rima was internally compact. Its members had the organizational and financial powers to develop and manage the entire production system, as well as the channels for hiring, firing, rewarding, disciplining, and controlling the workforce. The officials subordinated to them had a different

4 Using Granovetter's network analysis, he examined the strength of weak ties in the context of director relationships.

perspective. They were not in a position to determine the company's rules and regulations, but by accepting the formal principles, they also took part in the operation of the organization, enjoying better earnings and access to the company's social support system. On the other hand, the company management that constructed the structure of employee relations had to comply with the rules of the established system. The top management (technical and commercial directors) was thus able to implement the rules, effectively administer, and rationally organize the production process and the sale of iron and steel products, which indirectly facilitated the success of investment and innovation strategies.

In the 1918–1919 crises, Rima had to face economic and political challenges. Gaučík analyses how the company was manoeuvring state-power relations under these challenges. Ore mining was in a deep decline in Slovakia, and many of the company's mines and forests were not concentrated at the production site. Hungarian state supervision was replaced by Czechoslovak control, which required company officials with different knowledge. Based on the development of the management's new strategy, the author justifies Schumpeter's thesis, highlighting the role of Director Pál Bíró. As CEO, in the 1920s, Bíró launched a strategy based on five pillars, with the cooperation of the Wiener Bankverein and the Hungarian Commercial Bank of Pest. He developed ore mining, modernized production, received state subsidies related to coal mining, established close cooperation with the coal mining operations in Salgótarján, and increased the share capital. The financial reforms following the dissolution of the Monarchy also made Rima's operations more difficult, which Gaučík outlines by indicating the problems faced in the field of loans. The tension between the two countries affected Rima, though Gaučík shows that the network established by the company's management in Bratislava and Prague helped economic cooperation. In order to optimize the business, Bíró had opened an office in Bratislava already before the border changes were declared. Successful bilateral interstate agreements were concluded in the interests of the company, but overall, they did not ease Rima's situation. On the one hand, local administrators representing the Czechoslovak state impeded the company's operations, and on the other hand, the space for economic competition favoured Czech companies.

Meeting his main goal, Štefan Gaučík depicts the historical manifestation of entrepreneurs and enterprises through archival sources, using economic and sociological methods. He has raised several questions that provide directions for further research: among others, he highlights the need for analysing the relationship between the Czech iron and steel cartel and Rima. Since Gaučík consistently fulfils his goals, his book has made a significant contribution to Slovak economic history writing. In this way, scholars may expand the line of historical investigations of economic continuity in the nation states that succeeded the Habsburg Monarchy, focusing on corporate history and elite studies.

Literature

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