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# 'Power from Sunshine': A Business History of Solar Energy

by [Geoffrey Jones](#) and Loubna Bouamane

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## About the Author



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## Abstract

This working paper provides a longitudinal perspective on the business history of solar energy between the nineteenth century and the present day. It covers early attempts to develop solar energy, the use of passive solar in architecture before World War 2, and the subsequent growth of the modern photovoltaic industry. It explores the role of entrepreneurial actors, sometimes motivated by broad social and environmental agendas, whose strategies to build viable business models proved crucially dependent on two exogenous factors: the prices of alternative conventional fuels and public policy. Supportive public policies in various geographies facilitated the commercialization of photovoltaic technologies, but they also encouraged rent-seeking and inefficiencies, while policy shifts resulted in a regular boom and bust cycle. The perceived long-term potential of solar energy, combined with the capital-intensity and cyclical nature of the industry, led to large electronics, oil and engineering companies buying entrepreneurial firms in successive generations. These firms became important drivers of innovation and scale, but they also found solar to be an industry in which achieving a viable business model proved a chimera, whilst waves of creative destruction became the norm.

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