The Hard Sell: An Ethnographic Study of the Direct Selling Industry
JOHN BONE
Aldershot: Ashgate, 2006
vii + 203 pp., h/back ISBN 0 7546 4609 2 (£55.00)

This book, which is developed from John Bone’s Ph.D. thesis, is an ethnographic study carried out within the home improvement sector of the direct selling industry. It attempts to explore the organisational structure and social systems of an important but little-known part of the British commercial scene. It is based on the experience of the author, by profession, a sociologist, as a ‘covert participant observer’ over an extended period that explores the culture and methods of the industry. Its overall thesis is that deregulation of industries is exposing changes in organisational structure that appear to demonstrate a more laissez faire approach through deregulation, as a result of globalisation. The case study presented here fully demonstrates that thesis through the case studies undertaken.

Initially setting the scene with a brief introduction to direct selling, a distinction is immediately made between two types of direct selling. The first, Network Direct Selling Organisations, are businesses that originated in the door-to-door selling of the peddlers, and in the mid-twentieth century introduced branch offices, party-plan selling and ‘network marketing’. The second, which the author refers to as Values Direct Selling Organisations, are mostly small to medium size enterprises selling high value consumer durables on a one-off basis. It is this latter group that the author scrutinises.

For those readers wanting a business history of direct selling, this book will not help. This work does not involve itself with the development of direct selling organisations. Indeed the bibliography has very few references to this particular business type. However, for readers who require insights into the day-to-day organisation and operations of an important, but little-known business type, this provides essential reading. Although there is much written about organisational behaviour in business generally (a strength of the bibliography), there is little literature that takes an industry organisation apart in this ethnographic manner.

As this reviewer has also had a previous career in retailing, albeit in a more ‘respectable’ environment, many of the general approaches to selling are recognisable and reflect aspects of business that, despite regulation, are still part of the salesperson’s stock in trade. Therefore, as an example of primary research, which has been carefully considered and ethically challenged, it is a clear success. The book successfully steers a course between the sensationalist ‘insider exposé’ types of writing and a bland reporting of events. The very personal nature of the author’s involvement in the business and in particular with his colleagues makes this an unusual though very successful approach to business history.

The work also demonstrates that the application of appropriate methodologies can give insights to business history that are unobtainable by other methods. Indeed, the author sets out his methodology and its ethical implications from the start but is able to justify his covert approach as it was clear that any attempt to infiltrate such a closed industry would result in an incomplete analysis, due to a lack of co-operation, or indeed a refusal even to allow such a project to begin. This reflects the industry approach to its self-management where the public and the private faces are quite different. By logging the daily routines and development of his ‘career’ in this industry, the author has revealed the nature of the direct selling industry in a way that exposes amongst other practices how ‘strategies employed in direct selling often involve manipulative tactics and the use of misleading information’. These approaches are representative
of the wider argument that Bond makes regarding the anti-structural, cynical, short-termism of these companies within the industry that appear to reflect contemporary changes to the organisation of business structures.

These changes are reflected in Bone’s discussion of the social processes that operate in the businesses and how they affect the tactics employed in selling. An insider culture develops that tends to normalise unprincipled, unscrupulous tactics as being part of the accepted customs of business practice. Indeed, the idea that behaviour within these organisations can be classified as, amongst other attributes, deviant, Machiavellian and amoral, goes some way to explaining the conflict between some sort of rational, post-modern, post-Fordist flexibility and the irrational, unpredictable nature of adventure capitalist approaches to business.

The businesses, which the case studies reflect, demonstrate a raft of contrasting complexities. They appear to offer a ‘self-employed ideal’ but are actually highly structured and controlled by the organisation: the image management between the ‘back stage’ and ‘front of house’ of the businesses is highly regulated to ensure that the impressions are managed at every level. These contrasts are also highlighted by the management’s attempts at normative business practices that are simultaneously supported by deviant ones in the field. From the employees’ point of view, the unpredictable nature of the business of selling consumer durables is compounded by the apparent management strategy of shifting aspects of risk to the employee.

As a contribution to business history, this work of sociology has opened up an aspect of ‘real life’ to academic scrutiny and has exposed a less glamorous part of the retail industry to first-rate effect. Perhaps some comparative work on other VDSOs or NDSOs would have contextualised the research, but as an example of interdisciplinary work, which has set itself a clearly defined task, it has made an important contribution to both fields of enquiry.

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Alfred Herbert Ltd and the British Machine Tool Industry, 1887–1983
Roger Lloyd-Jones and M.J. Lewis
Aldershot: Ashgate, 2006
xii + 352 pp., h/back ISBN 978 0 7546 0523 2 (£50.00)

The machine tool industry was regarded as central to the British economy in the late nineteenth and twentieth centuries, its ability to supply modern tools in a timely fashion being particularly important in times of war. The industry generally struggled to compete against foreign makers, initially American and then German and Japanese, insufficient capacity and a lack of innovation resulting in increasing import penetration. In this study, Lloyd-Jones and Lewis make extensive use of business archives including those of the largest producer, Alfred Herbert Ltd, in an effort to explain the relatively poor performance of British makers.

The growth of manufacturing in the late nineteenth century provided a ready market for machine tool makers. Alfred Herbert, a trained engineer, entered the industry in 1887. Aided by his father, he and a partner bought a Coventry boiler making firm and began making weld-less bicycle tubes, the profits being ploughed back into developing a machine tool business. Special machine tools were sold to the Coventry cycle trade, success being guaranteed by orders from a bicycle firm owned by Herbert’s brother. American tool makers also took advantage of the late nineteenth century bicycle boom, superior design capabilities and cheapness owing to economies of scale enabling them to capture a large share of the market. Herbert & Hubbard acted as agents for American firms, it’s ability to import – as well as make – allowed them to offer prospective purchasers a full range of machinery at competitive prices. In 1894, Herbert became sole owner of the enterprise and by 1914, Alfred Herbert Ltd had become the largest machine tool maker in Europe.

Machine tool making flourished in Britain before the First World War, not only in the Midlands but also around Manchester, Yorkshire and Scotland. The importation of advanced
American machinery encouraged some British makers to innovate but, generally, they were conservative. They also focussed on general purpose as opposed to specialist machines, apparently on the grounds that local demand was insufficient to warrant the degree of specialisation practised in America. These shortcomings became evident in wartime. Not only did British makers find it difficult to produce sufficient machine tools to meet the needs of munitions factories but they were also unable to supply the special purpose machines needed to produce high explosive shells.

The inability to meet surges in demand together with a concentration on general purpose machines continued into the post-war world, with Herberts as guilty as the rest when it came to installing new capacity. Not that there was much incentive to invest following the collapse of the post-war boom, the dire straits in which Britain's old staple industries found themselves in the 1920s resulted in a long period of low and uncertain demand for British makers. Yet even when opportunities did present themselves they were slow to grasp them. Thus, the rapidly expanding Morris Motors was obliged either to develop its own high performance special purpose machines or import what it wanted from America. The British found some relief in export markets but even here it was American and German makers who, more innovative and more efficient, obtained the bulk of the orders.

The question of protection was discussed from 1923 onwards but, with Herberts and other makers importing as well as selling their own machines, the Machine Tool Trade Association remained resolutely in favour of free trade. The depression of the 1930s saw the Trade Association welcome some protection, but at the same time it agreed to the free importation of so-called gap machines. This it regarded as part of the international division of labour.

The period of re-armament and the Second World War, saw the machine tool industry once again struggling to meet orders. General rather than special purpose machines still constituted the bulk of the output, government controls and wartime needs inhibiting such innovation that might have taken place. Productivity fell during the war while attempts to raise output in the post-war period were further bedevilled by shortages, especially of skilled labour. The Korean War placed fresh strains on an industry which was able to supply only one third of domestic demand.

Low productivity characterised the British machine tool industry for the next two decades. The highly individualistic attitudes of the many small producers militated against technical cooperation while the policies of stop/go tended to discourage investment both in new plant and research and development (R&D). The government made repeated attempts to foster concentration and rationalisation in the belief that it would lead to improvements in productivity but, to little avail. In 1960, an industry research association was established by the government to foster technical collaboration. Herberts refused to join, setting up its own R&D unit instead. Attempts to involve firms in economic planning was similarly rebuffed, with many in the industry totally opposed to government interference.

The introduction of advanced numerically controlled special purpose machines highlighted the deficiencies of the industry, and the mid 1960s saw a spate of merger and acquisitions. A change in management at Herberts resulted in bold plans for expansion, the acquisition of the machine tool division of BSA in 1966 added significantly to capacity. A joint venture was also established with Ingersoll of Illinois, a new factory at Daventry being opened to produce the latest machines. A lack of management capabilities together with the recession of the early 1970s spelt disaster for Herberts, however, the miners' strike and the three-day week effectively administering the coup de grace. In 1975, the company was rescued from insolvency by the government. Under state control Herbert Ltd fared little better and, in 1980 the firm collapsed, its constituent parts being sold off to the highest bidder. Other firms also struggled to survive in this era.

This is not an easy book to read. It is not particularly well-written or well-structured, and the manuscript would have benefited from the attentions of an editor and proof reader. Too often the arguments are buried in a mass of detail while the central question posed, namely, why were British makers so slow to move into technologically advanced special purpose machines, is never satisfactorily answered. Perhaps closer analysis of cost conditions and minimum efficient scale might have helped. For all its shortcomings, this book is a welcome
addition to the literature and we should be grateful to Lloyd-Jones and Lewis for their hard slog in the archives.

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The Business of Women: Female Enterprise and Urban Development in Northern England, 1760–1830
HANNAH BARKER
Oxford: Oxford University Press, 2006
xi + 189 pp., h/back ISBN 0 19 929971 4 (£45.00)

This book was a delight to read. It is a skill to weave such a lively narrative from a complex utilisation of sources and Hannah Barker does this with a dash of style. It is also clear that the project on which this book is based was carried out with thought and diligence by Barker and her research associates (Karen Harvey and Vicky Brookes). Focussing on the period 1760 to 1830, this publication also links the results of original research with the diverse and growing literature on the social history of working women in this period of history. A particular strength is the recognition of the connections between business and late Georgian urban culture and the demonstration, at least in the context of the urban north, that women were not excluded. The Business of Women is a valuable addition to the growing qualitative and quantitative catalogue of women’s social and economic endeavours in Britain. Crucially, it does not treat women as a homogenous group, and presents plentiful vignettes to demonstrate the variety of experience and degrees of independence.

There are several reasons why the student or scholar of business history would benefit from reading this book. Aside from its qualities as an interesting read, it is a fairly compact edition and avoids rambling. Barker’s book offers us the opportunity to engage with a broader historical dialogue and succinctly demonstrates how studies of business can utilise extremely varied sources, many with non-commercial origins, to uncover the very complex, multi-dimensional and, particularly, the social and cultural nature of urban business communities.

Those with a keen interest in this area will note that the use of sources and the questions addressing gender and business are now familiar ones and for a book entitled ‘The Business of Women’, might have anticipated a more explicit analysis of gender and entrepreneurship. However, this is more a reflection of the need for a snappy title in publishing terms. Barker is mainly concerned with the link between business and urban culture and development and women in the context of family business. Both of these trajectories are beneficial and useful additions to our understanding of women’s roles in Britain’s past. In Chapter 1, Barker sets her study in the context of the northern industrial towns (Manchester, Leeds, and Sheffield). This is followed in Chapter 2 by a consideration of women’s work in the ‘shock’ cities of the Victorian age. In Chapter 3 newspaper advertising is used as a springboard to discuss the public face of women in business. It is refreshing to see women’s participation in family business revealed rather than passed over in Chapter 4. The legal aspects are considered in Chapter 5, before a brief summary conclusion.

Although much of the ‘general’ contextualisation feels very familiar, Barker presents a fascinating insight into women’s lives in Manchester, Sheffield and Leeds. Her background in urban culture and social history has brought a fresh interpretive gaze to both new and existing evidence, especially in the context of the urban north. It is for this reason that those business historians who might feel that this publication would be too ‘social’ or too much about ‘women’ should put these barriers to one side. Understanding business is more than understanding entrepreneurial motivation, credit and capital flows and ceilings, competition, and profits. Of course these are all essential components but, so too, is an unpatronising recognition of the social and cultural aspects of business and the communities within which businesses operate. For a broader readership, a useful addition would have been to set these valuable findings in comparative context with other urban centres in Britain and abroad. Although gender has been less fully integrated into business history in studies and practice in Britain, it is refreshing to see a
growing body of studies addressing this deficit. *The Business of Women* is a welcome addition to this rapidly expanding field.

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**Innovations and Industrial Performance in Finland, 1945–1998**

JANI SAARINEN

Lund Studies in Economic History 34. Stockholm: Almqvist & Wiksell International, 2005

267 pp., p/back ISBN 91 22 02129 9 ($87.50)

In his early writings, Joseph Schumpeter argued that small, dynamic firms and entrepreneurs were the engines of innovation, while in his later works he suggested that the monopolist corporations have assumed the role of agents of creative destruction, and thus of innovation. According to this study by Jani Saarinen, there is a constant flow of new innovative firms entering the market. However, innovation is not limited to these new, usually small firms – large companies with research laboratories also generate innovations. Thus, Saarinen concludes, both of Joseph Schumpeter's classic but contradictory assumptions are correct. In the Finnish case, there also seems to have been a trend from large to small innovative firms during the post-war period. There is no reason for this development but, among other things, development by regulatory institutions and public funding in technological development, especially since the early 1980s, have played a strong part.

Saarinen takes Finland as an example in order to study the processes of innovation over a long term. The study is exceptional, as it deals with basically all industrial sectors of the economy. Innovation databases are used as sources for the study, some of them compiled by the author from archival data, technical and trade journals, company histories, etc. Using these databases, Saarinen is able to identify the innovation processes from the idea stage to marketing, and to analyse systematically, among other things, the size, branch and age of the innovative firms. The study shows a rising trend in the number of marketed innovations: while from the 1940s to the 1970s, around 20–50 innovations were marketed annually and during the 1990s, the figure was over 100. However, the number of Finnish innovations is low by comparison with other small, European countries.

Saarinen’s study is ‘inside the black box’; in other words, he analyses innovation processes from the companies’ point of view. Especially interesting are the chapters analysing industry dynamics and innovations. The study notes that small innovative firms tend to exit the market at quite an early stage; usually, they are taken over by larger firms. However, these takeovers are not necessarily hostile, as they also be a part of a conscious strategy on the part of the owners of the small firms – this is clearly evident in the software business especially during recent years. However, one interesting finding is the fact that the exit ratio of innovative Finnish firms is extraordinarily low in comparison with the average European level of all exits.

Finland provides a good case for studying innovation processes, as the country has been noted during the past couple of decades for its high rate of innovation. This has not, however, been the case throughout the post-war period: from the 1940s to the 1960s, the share of Research and Development (R&D) in GDP was only around 0.2–0.4 per cent, while since the 1980s it has been around 3 per cent. Until the 1990s, the largest industrial sector in Finland was the forest industry, paper and pulp production in particular. However, this sector was not especially innovative; for example, in the period 1985–1998, below 6 per cent from all innovations were made in the forest industry, while in software the percentage was 14 per cent, and in machinery and equipment over 20 per cent. Saarinen clearly notes this significant difference, and offers the traditional explanation that most of the product and process innovations within the paper and pulp industry were actually made in mechanical engineering companies and in some key consultancy firms.

Conscious innovation policies were created only in the 1990s, though the roots of these policies go back to the mid-1960s. The role played by good public institutions has been especially important in the Finnish case. Saarinen states that public support for R&D has had positive effect on innovation; in the 1980s and 1990s around 40 – 70 per cent of innovations in Finland received
public funding. An especially important role was played by the Finnish Technology Agency, Tekes (founded in the 1980s), a governmental organisation that cooperates with companies to promote technological development.

Saarinen’s study is about the relationship between technological change and economic development. His main conclusion is that innovations promote economic growth and generate employment. Saarinen puts the Finnish case in context by referring to a number of studies of innovation made in other countries. However, as in all studies of this kind, he could well have used even more comparisons.

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De gjorde Danmark større . . . Danske entreprenører i krise og krig 1919–1947
(They Enlarged Denmark . . . Danish Contractors in Crisis and War, 1919–1947)
STEEN ANDERSEN
Copenhagen: Lindhardt og Ringhof, 2005
573 pp., h/back ISBN 87 595 2496 0 (DKK 349)

This book is an important contribution to the wave of new publications dealing with Danish business under the German occupation of 1940–1945. It deals with the contractor industry and in particular with a handful of the Danish industry leaders: Christiani & Nielsen, Hojgaard & Schultz, Kampsax, and Wright, Thomsen & Kier. These companies were founded in the first quarter of the twentieth century and developed international profiles during the 1930s. In Denmark, they gained icon status: almost without exception, boys wanted to become construction engineers and construct bridges, railways and harbours around the world – from Argentina to Persia.

The Nazi expansion before and during the Second World War gradually changed geopolitics and gave increasing importance to the location of company activities. In addition, the German occupation of Denmark caused radical changes in the business environment and challenged business policies and strategies. Danish contractor companies differed widely in market composition – some operated predominantly in the home market; others were almost exclusively in foreign markets. Christiani & Nielsen were among the latter and may serve to illustrate the dilemma in which such companies found themselves: its business was almost evenly divided between South American and German activities, and its 15 subsidiaries and regional headquarters were located in Hamburg, London and New York.

This overall situation forms the backdrop to the three research questions posed by the book: how did individual contractors handle the inter-war period; how did they react to the collaboration policy of the Danish government in the period 1940–1942; and how did the course of the war impact attitudes and actions, 1943–1945? The author adopts political risk theory as a theoretical framework. The analysis is based on careful archive studies and rests on detailed mapping of the interplay between politicians, bureaucracy and business. All of this amounts to a useful micro- and macro-approach to the research questions.

From an analytical perspective, the inclusion of the inter-war period is an obvious strength. To companies headquartered in small countries, growth implies internationalisation, and contractors rely on trust, which spills over into technical competence. At the time, for example, a company that had decided on the technology to be applied and on the location of its activities – such as ferro-concrete quays in Germany – was to a certain extent dependent on the path chosen. Geographical or technical expansion being costly, path dependence becomes a key concept in the argument presented.

Chapter two outlines the inter-war developments. The title of the book is an allusion to the leading company, Christiani & Nielsen, which through its activities aimed at ‘enlarging Denmark’. Chapter three offers a framework for the opportunities and threats posed by the advent of the Second World War and depicts the wide range of reactions to the new order from Danish contractors. Chapter four focuses on the interests of Danish firms as opposed to those of the nation
and introduces the theme of economy versus morals. Chapters five to eight deal with activities in some, then German controlled areas, namely, Norway, Germany, Serbia, Hungary, Poland and, not least, France (where submarine shelters were constructed). Chapter nine tells the story of Kampsax, which had constructed the trans-Iranian railway in the 1930s and continued infrastructural work during the war in co-operation with the British forces.

Chapter ten centres around the ‘threat from peace’. In 1944, an average of 60,000 workers were busy in Nazi-led construction work (mostly shelters on the west coast of Jutland). The contractors were under pressure from underground publications and the derived public opinion. The engineering icons faded and their activities probably contributed to the fact that, despite Danish resistance activities, Denmark was only accepted as a ‘last minute ally’. Nevertheless, the companies enjoyed an undisputed success in dealing with their image problems, and after the war they largely avoided prosecution. A large-scale settlement in court was planned but faded away much to the discontent of American and British diplomats. In 1952, their position had been fully re-established and was cemented when a number of industry leaders formed the Danish Arctic Contractors. They offered updated knowledge on military construction work and over the next decade they landed large and highly profitably contracts to build the American military complex in Greenland.

One major theme in the book is the role of business in wartime. Companies should of course do business but should they do so at all costs? Are there ethical borderlines and, if so, who should define them? If, for example, Danish contractors had not been co-operative, the work would probably have been done anyway but by German firms and/or by the use of forced labour. Thus business is placed in a broader context reflecting the interaction between individual firms and German as well as Danish authorities. In this context, the author aptly introduces Entreprenørforeningen (The Danish Contractors’ Association) and its links to the macro-level. The association had around 150 members, of which one-third carried out construction work for the Germans. Members held conflicting views on the issue – the trade-off over time between profits and ethics – and the book convincingly presents evidence of how a delicate balance was maintained throughout the occupation.

This valuable book brings new knowledge about an otherwise neglected industry, and it manages to map interactions between a wide range of players. This has been possible because of extensive archive studies as evidenced by an equally impressive bibliography. The author has firm control of the extensive material, and his presentation of his subject is rich and balanced. The author clearly holds the view that business history is as much about ethics as about economics and, as a result, the book makes but modest use of graphs and tables. Not all of them are equally successful. Some tables neglect to indicate units of measurement; and the table on page 424 attempts to show the growth in Christiani & Nielsen during the Second World War, using current prices in an inflationary economy. In another table, on page 121, figures do not add up correctly. These are fairly unimportant but unnecessarily imprecise details.

The book displays a general tendency to moralise, which may not be to everybody’s taste. On the very last page (page 451), an enormous gun is pulled for the purpose of moralising: Immanuel Kant’s categorical imperative. Having done so, the author concludes that two firms ‘were placed unequivocally on the German side of the war’. This is hardly a reasonable way of handling a great philosopher or basic ethical issues. Documented facts alone would have been preferable.

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The Path Not Taken: French Industrialization in the Age of Revolution, 1750–1830
JEFF HORN
Cambridge, MA: MIT Press, 2006
ix + 383 pp., h/back ISBN 0 262 08352 3 (£29.95)

This volume is a significant contribution to the emergent field of global economic history. In contrast to David Landes and others, Jeff Horn offers a non-cultural explanation for the failure of
the French economy to catch up with that of Britain during the half-century before 1830. More than that, he argues that it was not failure but an alternative and equally rational development path that the French followed. His argument has several strands.

In his introduction, he states his three main arguments. First, that in the late eighteenth century French governments attempted to follow what they understood as the English model of industrial development. Second, that the emergence of revolutionary politics extinguished any chance of following the English model. Third, that the French state forged a distinctive longer-term institutional model of industrial development.

The case for France’s initial pursuit of the English industrial model rests on chapter length studies of the reform of the corporations (guilds) and the circumstances of the Anglo-French Commercial Treaty of 1786. Attempts by the central government to remove the welter of entry barriers posed by the corporations ran into all manner of local privileges and customs. Necker tried a different tack from Turgot by confining his reforms to one industry, textiles. If masters were unruly, so too were workers, despite the billet de congé (notice of release) system by which workers’ movements between jobs were supposedly controlled. In his examination of the Eden Treaty, Horn advances the thesis that the French, looking across the Channel for a model, concluded that the state played a vital part in English industrialisation – providing cheaper capital, more effective protection of patents, tax-based export incentives, open markets: reviving the O’Brien and Keyder thesis (O’Brien, Patrick, and Caglar Keyder. Economic Growth in Britain and France, 1780–1914: Two Paths to the Twentieth Century. London: Allen and Unwin, 1978).

To demonstrate that the French followed a different and rational developmental path Horn needs to find some kind of obstacle that threw them into a different trajectory. He chooses attitudes to the introduction of new machinery. Finding French luddism (by workers and sometimes masters) more widespread and violent than in Britain, he concludes that poor work relations between masters and workers, entrepreneurs and labour, prevented the state replicating the English model (but isn’t this a cultural explanation?). The Revolution and collapse of the French economy underlined the unruliness of French workers. Only state-sponsored Terror enforced the discipline necessary for providing weapons and food essential to military victory. A command economy emerged but the sanctions of violence made this sort of economic management inimical to concepts of individual freedom.

Under the Directory and the Empire, chiefly through the influence of Jean-Antoine Chaptal, Minister of the Interior, a new approach to French competitiveness combined the physiocratic emphasis on productive resources and individual rights with a role for the state in promoting new technology. This middle way was evidenced in a Bureau of Consultation, by which eminent scientists filtered state support to entrepreneurs and inventors via a new patent system, state-sponsored prizes for new inventions, state-supported industrial exhibitions, and educational institutions melding theory and practical experience. Napoleon’s mercantilist Continental System reversed, for seven years, the pursuit of this path but after the Restoration, Horn argues, the state’s attempts to create a competitive environment resumed.

The penultimate chapter in the book examines ways in which entrepreneurs and workers responded to the new state-influenced framework. Combinations of workers and employers were prohibited but the law was unevenly imposed across France and penalties were less severe for employers. Workers in the 1820s were as militant as they had been in the 1780s. Markets were massively distorted by counterfeiting, theft, and smuggling (economic or cultural factors? Part of the path being followed or avoided?).

This ambitious study ranges over a wide array of national, regional, and local research on the political system, labour history, and industrial history, as well as economic history. There are vignettes of machine breaking episodes, production lines in Paris under the Terror, the career of Chaptal, and industrial exhibitions, to name a few. National perspectives receive precision in local studies. Numerous themes recur: the power of the state versus the power of local traditions; the ability of political frameworks to effect industrial change; differentials in regional development; subtleties in the relations between masters and workers; the diffusion of useful manufacturing technique and the role of immigrants versus local inventiveness.

There are blemishes in the book. The diffusion of technology is scantily treated. John Harris’s great work on technology transfer between France and England still awaits its sequel. Rather more
might have been made of the invention of the jacquard loom. And the author’s understanding of textile technology seems rather shaky: the flying shuttle was not used to spin yarn, but to weave cloth (page 222); cotton spinners would not have left looms (page 257); and a ‘hydraulic cotton spinning mill’ (page 224) deserves some explanation, or is this another way of saying a ‘water-powered factory’? Presumably the publishers can be blamed for a thin index, the absence of statistical tables, and the inclusion of the last chapter (which really belongs to a local history journal).

Does it all add up to a convincing case for an alternative path for French industrialisation? Insofar as the French state institutionalised the application of scientific knowledge to industry and created incentives for entrepreneurs, it diverged somewhat from the path taken by England. Whether it was a difference of degree or kind will continue to be long debated.

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The Expert Consumer: Associations and Professionals in Consumer Society
ALAIN CHATRIOT, MARIE EMMANUELLE CHESSEL and MATTHEW HILTON (eds.)
Aldershot: Ashgate, 2006
ix + 209 pp., h/back ISBN 0 7546 5501 6 (£47.50).

The Expert Consumer: Associations and Professionals in Consumer Society edited by Alain Chatriot, Marie Emmanuelle Chessel and Matthew Hilton, is a new addition to the expanding collection of edited collections on consumption, based on an international colloquium, Au nom du Consommateur held at the Ecole National d’Administration in Paris. It is a compilation of papers that encompass diverse scholarship from Britain, France, Germany, Norway, Switzerland and the United States. The time line spans over the whole of the twentieth century, with a few mentions of late-nineteenth-century predecessors in the first few chapters. The volume is divided into three parts: Part 1 includes three chapters which report on early consumer activism in the US, Britain and France; the three chapters in Part 2 are concerned with consumer expertise during the interwar years through to the Second World War; and Part 3 with five articles discusses consumer experiences since the emergence of the so-called affluent society up to the present. The final chapter by Matthew Hilton extends the scope of this collection to cover consumer activism in countries outside Europe and the US, particularly through his research on Malaysia.

As is common in edited volumes that follow a scholarly gathering and exchange across different countries and across disciplines, the central theme of this volume that accommodates not only historians but also scholars from sociology and consumer studies does not seem to be as clear and consistent as for a reader to follow through without difficulty. The volume has a ‘tight focus’ on ‘organisations of consumers themselves who have chosen to speak for all consumers and similar such bodies of experts which act on behalf of consumers’. However, a major confusion of this volume appears to be due to this ‘tight focus’ that in fact excludes the whole of the traditional literature related to consumers’ co-operatives completely out of their assortment. The editors spare only a paragraph in their introduction to repudiate the centrality of these ‘principal organisations’ whose leaders were assumed to be ‘the main expert consumers’ (p. 9). Thus, while they admit that ‘cooperative thought dominated consumerist ideas’, they claim that ‘new organisations of housewives and affluent consumers began to eclipse the cooperatives as expert consumers’ after the Second World War. Therefore, by design, this volume lacks appeal to those business historians who are interested in consumer co-operatives as a unique business model.

What the editors include in their ‘tight focus’ is solely the so-called ‘US model’ and its affiliates (p. 3). The contributors from Europe frantically search for traces of this model within the histories of consumer activism in their own countries. While most European authors manage to find fragments of American-type organs such as consumers’ leagues and document their expertise, Iselin Theien on Scandinavian experience in Chapter 8 apologetically describes the ‘unique’ absence of
'any organisation belonging to [consumer advocacy groups], corresponding to the US Consumers Union or the UK Consumers’ Association’ (p. 139). Now, we might ask here what the central tenets of the US model are. A few contributors in this volume cite Gunnar Trumbull’s inter-societal typology (that is, French, German and Anglo-American models) and Patricia Mclachlan’s intra-societal typology (that is, consumer co-operatives, educational organs and advocacy groups) but their interpretations of these models seem to differ slightly, particularly when they argue for their relevance to the situation in each country. Yet, what seems to be in accordance among many of the contributors is the unanimous appraisal of the liberal model that is often associated with the performative US leader Ralph Nader from the late 1960s. Many contributors regard such ‘new’ consumer activism as an ideal type and a reference point.

A more helpful intra-societal typology is offered by Julien Vincent in the only chapter which directly examines the history of consumer activism in the British case. Chapter 2 is particularly useful in that it evidently counterpoises the consumer morals, the politics, and the economic thoughts behind the two streams of consumer activism – in his case, the Christian Social Union and the Webbs at the turn of the last century. He interrogates the Christian origin of individualist consumer politics against the socialist collectivist politics of cooperatives, and also dissect the new model of consumer as an autonomous economic agent against the ‘helpless’ worker-consumer model in the chain of commercial transaction. What emerges from the discussion in this chapter is the depoliticised and discontinuous nature of many of the arguments on activism in this volume, which, nevertheless, bravely condemns neo-liberalism since Ronald Reagan in its introduction. Marie-Emmanuelle Chessel in Chapter 3 also points to the Catholic origin of consumer’s leagues in France, and also to the Protestant origin of the National Consumers League in the US, which provided transatlantic influence to the former, while setting aside any collectivist connections in them. It may be too far-fetched, but a reader might wonder about an unintended similarity between those middle-class female ‘activists’ and the political image of an infuriated housewife used by Margaret Thatcher in the run-up to her party leadership. If a reader is further confused by this intermittent liberal-radical trajectory of consumer activism, as presented in this volume, it is advisable to consult Frank Trentmann’s introduction to The Making of the Consumer: Knowledge, Power and Identity in the Modern World (Oxford: Berg, 2006) or Matthew Hilton’s Consumerism in 20th-Century Britain (Cambridge; Cambridge University Press, 2003) which would help make a fuller understanding of the context and the process of how such a revisionist view of the consumer and consumer activism have gained strength in the late 1990s.

The volume succeeds in presenting diverse experiences from European countries and the US as historical case studies but, it seems to lack a thorough international comparison and a rigorous modelling of organisational behaviour for a reader to make sense of the varied range of case studies. Those who are inclined to appreciate economic rationale in understanding institutional behaviour may find it helpful if there was a figure that explained the scale and the scope of major consumer organisations in each country, and if there was a map of political and ethical standpoints and attributes of those consumer organisations which could help examine the mechanism of sectarian politics in consumer activism. Despite the lack of a comprehensive interrogation into cross-cultural diversity, the real value of this collection of essays on consumers and consumer bodies is in the historical details that are revealed in the case studies, many of them based on indepth archival research. Chapter 10 by Odile Join-Lambert and Yves Lochard, for example, follows the process of negotiations between different users of public services in a small arrondissement in Paris and the creation of expertise by the local resident association. Taking another example, Joëlle Droux in Chapter 5 opens up the details of how nutrition experts in French-speaking Switzerland managed to persuade the consumers to submit to the strict diet that legitimised rationing during the Second World War. Special interest of business historians may be catered for by Chapter 9 on entrepreneurial ethics of US consumer organisations that lists the practical concerns over running a non-profit organisation found in the big four national consumer advocacy groups. Robert Mayer reveals the secret of a successful non-profit organization – that is to attain the taxation status that not only made it exempt from federal taxation but also made it eligible for 'low-cost bulk mailing permits'. Though business leaders in the commercial world may learn from such tactics, this volume would have
been more telling if it had included such an investigation as into a dialogue between NGOs and firms like Uniliver over GM controversies.

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Historia Económica de la España Contemporánea
(An Economic History of Contemporary Spain)
ALBERT CARRERAS and XAVIER TAFUNELL
Barcelona: Crítica, 2004
xii + 535 pp., p/back ISBN 84 8432 502 4 (£29.50)

Spaniards have published an immense amount on the economic history of their country over the past couple of decades, and recently this had been accompanied by a marked increase in the number of papers presented at international conferences, or published in the leading journals. Indeed, it would probably be fair to say that Spanish economic historians are among the most active anywhere. This makes the lack of both specialist interpretative monographs, or general surveys of their country’s long run development, all the more strange, and this book, which is directed to the ‘general public’, of major importance.

The authors have a clear message. Although the Spanish economy grew significantly over the nineteenth and twentieth centuries – GDP per capita increased almost fourteen-fold between 1850 and 2000 – for much of the period, and especially from the early 1880s to the early 1960s, it diverged from the European average (measured by 14 of the 15 countries that formed the European Union in 2003, Luxemburg being excluded). In general, bad policies, especially during the Franco regime, are to be blamed. From 1960 Spain started to converge again rapidly, although with a reversal between 1978 and 1986, when in addition to the lagged world energy crisis, it suffered from the economic problems associated with its own democratic transition. Even in the year 2000 Spanish GDP was still only 80 per cent of the European average, a figure that it had previously reached in 1872. However, and as some Spanish politicians have discovered, it has become increasingly difficult in recent years to be able to boast of the success of their dynamic economy, while at the same time demanding more funds from the European Union.

After an initial introductory chapter on the obstacles to growth in the Ancien Regime, chapters two to eleven provide the reader with long-run changes of a series of key indicators. The remaining eight chapters are organised chronologically, stretching from 1789 to 1998. Although their interpretation of long-run change is perhaps not particularly new, the major contribution of this book is in explaining the details of the country’s transformation. According to Carreras and Tafunell, the transformation of the Spanish economy has four main protagonists: capital formation (physical and human), structural change, the international economy and the role of the state. In terms of style, the book is more descriptive than analytical. Certainly there are plenty of statistics, including a useful 25-page appendix, and the reader is also provided with important insights into economic development. Yet, and as the size of the book indicates, this is also accompanied with a very detailed historical explanation of the events, the authors expertly summarising a very wide range of secondary sources. The role of structural change in Spanish development is perhaps a good example. A couple of pages are devoted to Arthur Lewis’s growth model with unlimited supplies of labour (pp. 355–356), but otherwise we are provided with a descriptive picture of change (most notably pp. 450–456). In the Nadal tradition, there are also plenty of pages devoted to industry, and I feel that ‘industrialisation’, rather than ‘structural change’ is a better description of their third protagonist.

In their prologue, the authors excuse themselves for not including some important, but recent publications, and for sticking to their main arguments, rather than trying to provide readers with a general survey. No complaints at that. However, and especially for readers of Business History, more on the business environment and company strategies would have been welcome. I also feel a few more pages should have been given on the achievements of long run growth, especially real wages, shorter working hours and social spending.
How should this book be judged? In my opinion it is by far the best book available today on the Spanish economy over the last two centuries. It is clear, well written and the authors constantly keep the story in a wider, European perspective, not just on the question of convergence, but also on how economic policies coincided or differed from what was happening elsewhere. It is likely to be widely read, although I am a bit sceptical about how much the ‘general’ reader might gain from it. One audience that most definitely would enjoy this book, presumably in translation, would be the readers of this journal. Carreras and Tafunell are to be congratulated on producing a work that is likely to be consulted by many in the profession for a long time to come.

JAMES SIMPSON

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El Ahorro de los Gallegos. Orígenes e Historia de Caixa Galicia (1876–2002)
Galician Private Savings. Caixa Galicia: Origins and History, 1876–2002
J. CARLES MAIXÉ (dir.)
Fundación Caixa Galicia: Centro de Investigación Económica y Financiera (CIEF), 2003
xii + 371 pp., illus., maps, h/back ISBN 84 95491 86 9 (£42.00)

This book, supervised by Professor J. Carlos Maixé and in which Margarita Vila and Elvira Lindoso, also professors at the University of La Coruña, have participated, examines the history of one of the most important lending institutions of Spain. Although Caixa Galicia opened its doors as such very recently, in 1978 to be precise, it is the result of a complex and long process of mergers of savings banks that had been doing business in Galicia since the mid nineteenth century.

The work, presented in a luxury edition with numerous photographs, pictures and graphs, consists of five chapters that recount chronologically from the first attempt at creating a Savings Bank in Galicia, La Coruña Savings Bank in the year 1843, up to the consolidation in the first third of the twentieth century of the different savings banks that had been created in the region, covering the difficulties they had to face up during the civil war and their evolution during Franco’s dictatorship and the years of democracy, until the beginning of the twenty-first century. It also includes a chapter of conclusions and four appendices of statistics of undoubted interest for researchers, since they present a great deal of quantitative information which will no doubt serve as a basis for further research.

The book represents an important contribution to Spanish banking and, above all, Business History. Following in the path of the main historical studies that have been carried out on Spanish savings banks, notably those carried out by Nadal and Sudriá (Historia de la Caja de Pensiones, Barcelona Caixa de Pensions y Edicions 623, 1983) and López Yepes and Titos Martínez (Historia de la Caja de Ahorros y Monte de Piedad de Madrid, 1702–2002, Madrid: Fundación Caja Madrid, 2002), this research is not a typical commemorative work. Joan Carles Maixé has succeeded, as well as informing us of the historical evolution of Caixa Galicia, in showing us how the savings banks that it would become after the merger operated internally. From this standpoint, the History of Caixa Galicia represents a significant contribution in the area of business history, since rarely have Spanish monographs on savings banks paid attention to the role of management, and matters related to the organisation and professionalisation of the management team and of the employees of the savings banks studied.

It is also necessary to applaud the supervision of Joan Carles Maixé, who has achieved a homogenous work, when, as mentioned above, it is the fruit of the work of three authors. He has also successfully avoided the temptation to include superfluous data that would complicate reading too much, or on the contrary too general data that could diminish the interest of the work, to produce a pleasing and interesting book.

Very attractive too are the appendices to the book. They include tables and sets of statistics of undoubted value, as mentioned above, for future research. These can be found from figures showing the composition of the management bodies of the savings banks of La Coruña, Santiago, Ferrol and Caixa Galicia, to the historical series of principal balance sheet items and the profit and loss accounts of the savings banks that have undergone the research.
This is why it can be stated that this is a great work of research that may be considered a work of reference on account of the important contributions it makes. Furthermore, at a time when the role played by savings banks in the Spanish economy is the subject of debate, this book acquires greater interest for those who are not experts on the matter but want to know the evolution of these charitable entities that in their day were an important instrument in the fight against poverty through the promotion of saving.

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Dilemmas of Russian Capitalism, Fedor Chizhov and Corporate Enterprise in the Railroad Age
THOMAS C. OWEN
Cambridge, MA: Harvard University Press, 2005
(Harvard Studies in Business History, 44)
xiv + 275 pp., illus., map, h/back ISBN 0 674 01549 5 (£33.95)

The book is devoted to the life of a forgotten Russian entrepreneur, Fedor V. Chizhov (1811–1877). Thomas C. Owen, a recognised authority of modern Russian history, provides a fascinating insight into the economy, politics and culture on Russia in the period following the Crimean War. Owen integrates the genre of biography with a thorough analysis of economic ideas, political and legal institutions. The volume is a valuable contribution to the debate on how economic and cultural institutes form economic performance and business culture, and to the studies on economic nationalism as well.

The study is based mostly on primary sources. Information is drawn from the personal archive of Chizhov which was rediscovered by Owen, on Chizhov’s diary, letters, publications and also a wide range of other secondary sources. Owen’s work sheds light on hardly known aspects of Russian history because Soviet and post-Soviet historiography have not paid enough attention to former business leaders until now. The book contains an index and a useful guide to the bibliography of the literature of the examined questions.

Owen tries to avoid the usual fault of business leaders’ biographers, namely the glorification of the central figure. Chizhov is portrayed as an ambivalent figure. Although a talented man of high intelligence and education, a splendid organiser and a successful businessman, he was still a fierce xenophobe and nationalist; a capitalist who has rather negative feelings towards the essence of capitalism. The painstaking analysis of Chizhov’s personality and the examination of his varied relationships to entrepreneurs, bureaucrats and artists give a rich overview and a new interpretation of the complex problems of economic transformation in Russia in the era of the Great Reforms (1861–1874).

The first chapter is a brief account of Chizhov’s family background, education and early career, his intellectual formation during travelling in Europe and internal exile following his return to Russia. Although the examination of his mental development seems a little bit too detailed it provides the background for Chizhov’s later intellectual outlook.

In the second chapter, Owen gives a thorough analysis of the concept of Slavophile capitalism worked out by Chizhov, which is one of the main merits of the book. As an editor of economic journals and newspapers Chizhov voiced a coherent strategy of economic nationalism. Slavophile capitalism had three components: benevolence and paternalism toward the workers as a sign of moral superiority of Orthodox Christianity to the greed of European capitalism; fear and hatred toward foreign capitalists; and economic autarchy to help nascent Russian industry. According to Owen, each of these elements generated a serious dilemma. Chizhov dreamed of a capitalist system in Russia that would allow Christian-spirited entrepreneurs to create wealth without unduly exploiting the masses. However, neither the Russian people nor Moscow merchants demonstrated the high moral ideals that Chizhov had expected. The xenophobic component of Slavophile capitalism, which blamed the dehumanising effects of greed on European capitalism, paradoxically undermined the legitimacy of capitalism itself in Russia. It
was also a self-contradiction that Chizhov sought political and financial support from the tsarist bureaucracy that considered Slavophile capitalism as a threat to the integrity of the empire.

The third chapter recounts Chizhov’s many entrepreneurial activities. In the last 20 years of his life he managed three railroad companies, including the first one built and owned by Russians, two banks in Moscow, and created the first profitable steamship company in Archangel. Owen demonstrates that Chizhov’s enormous business success was not the result of his xenophobic and anti-bureaucratic economic strategy. He did not put his own programme of economic nationalism into practice but sought more pragmatic solutions to his entrepreneurial problems. Although dedicated to the mobilisation of Russian capital, he borrowed from non-Russian bankers to finance his railroads. The recruitment of competent and trustworthy engineers, accountants and managers posed the greatest problem for him. Even greater dilemmas arose in Chizhov’s relationship with the tsarist government. He could not avoid financial dependence on the despised bureaucracy. None of his many enterprises could have been fit for life without the financial aid of the state.

The fourth chapter deals with Chizhov’s legacy and considers the reasons why the realisation of his strategy proved impossible. Owen’s thesis is that lack of capital caused far less hindrance to economic development than the shortage of entrepreneurial and managerial talent among the Russian merchants, gentry or aristocracy. The rise of corporate business was also greatly hindered by the obstacles erected by the autocratic state. Tsarist government refused to implement economic, legal and cultural reforms that would have promoted social mobility, mass education and legality essential in the era of rapid economic transformation.

One of the most striking dilemmas of Chizhov’s concept was that he remained captive of his Slavophile prejudices and his entire strategy of economic nationalism was a self-contradiction in itself. Although he insisted on employing only ethnic Russians in his ventures, he found the most prominent corporate figures of Russian ethnicity dishonest and incapable. His narrow focus on ethnicity and anti-Semitism precluded the participation of talented entrepreneurs from other ethnic backgrounds in his ventures.

The conclusion presents how his legacy was forgotten almost immediately after his death. The Soviet regime did not treat Chizhov’s memory kindly as well. The chronic neglect of the memory of important business personalities even in present-day Russia highlights the dilemmas and shortcomings of Russian capitalism in the past and maybe also in the future.

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The Best Transportation System in the World: Railroads, Trucks, Airlines and American Public Policy in the Twentieth Century
MARK H. ROSE, BRUCE E. SEELY and PAUL F. BARRETT
Columbus, OH: Ohio State University Press, 2006
xxvi + 318 pp., illus., h/back ISBN 978 0 8142 1036 9 (US$ 49.95)

The leaders of each mode of American transportation fancied themselves as pioneers and individualists in the most quintessential American sense, say the authors of The Best Transportation System in the World. In fact they were creatures of government protection and clung tenaciously to that protection even when government itself offered them the possibility of market freedom. This study of the political economy of American transportation in the period from 1920 to 1995 shows the initiative for their market freedom came from government, not from them. Specifically, the initiative came from presidents, all of them, from Hoover to Carter.

The authors do not explain why transportation in the United States came to be regulated in the last years of the nineteenth century and first years of the twentieth. Their story treats it as the status quo that did not work. Herbert Hoover was the first to perceive that railroads’ dominance of transportation was fading and that regulation designed in the days of that
dominance was not going to work in the future. Congress was beholden to local interests that feared change in the status quo. Regulatory reform would probably have to come from the executive. Roosevelt managed to bring some control into the White House with the appointment of a Federal Coordinator of Transportation but discovered the status quo was protected by most railroad executives, communities who feared loss of the railroad service and railroad unions who feared loss of jobs and a majority in Congress. The result was that air and motor carriers were clamped under regulation like the railroads, not what the president intended.

After World War II, with changing technology shifting advantage to highway and air carriers, railroads faced an uncertain future. Regulation prevented them from making the most of their low-cost advantage. Trucks, insulated from price competition by regulation, plucked off the railroad’s most lucrative traffic which threatened to leave railroads unable to carry the bulk commodities that truckers could not. Air carriers were in a tumultuous time of changing technology which required them to reequip their entire fleets every five years. They craved the stability of high regulated rates. The result was that air travel was transportation for a glamorous elite and competition between airlines was reduced to gimmicks, like lounges with piano bars (and even crooners on a few flights).

Railroad executives, notably Henry McCarthy of the New Haven, planted the idea of rate flexibility with Eisenhower who had his secretary of commerce, Sinclair Weeks, head a Presidential Advisory Committee on Transportation Policy and Organisation. The Weeks Report recommended a ‘zone of reasonableness’ between minimum and maximum rates. Truckers fought it. No constituency was for it even though ‘piggyback,’ the carrying of truck trailers on railroad flat cars, was making the regulatory wall between rail and truck less realistic. Kennedy and Johnson each tried to push forward the concept of rate flexibility and transport coordination. Johnson was able to create a Department of Transportation that would in time give the executive branch the chance to overcome vested and local interests. By the time Nixon was president, the railroads last hope of salvation, merger, had crashed in flames with the bankruptcy of the Penn Central. Oil shortages and rampant inflation now added urgency to the push for transportation efficiency. He tried to enlist a broad coalition of railroads, railroad labour and shippers for rate flexibility, but none jelled. Some of Nixon’s biggest contributors, notably the International Brotherhood of Teamsters, were adamantly opposed. Gerald Ford finally succeeded in getting limited rate flexibility in the 4R Act of 1975, and a real experiment was under way. The Ford Administration put the word ‘deregulate’ into the national vocabulary. From 1970 to 1974 the word had never been used in a New York Times headline. In 1975, it was used 36 times.

The Carter Administration focused first on airline deregulation. Limited intra-state deregulation in California and Texas gave something of a vision of how deregulation would change the industry from expensive elite transportation to cheaper mass transit. Alfred Kahn at the Civil Aeronautics Board gave the green light for all manner of discounted air fares. Mary Schuman, a skilled lobbyist for the administration, lined up a coalition of communities, labour unions, air carriers, members of Congress and Brock Adams, Carter’s own secretary of transportation, who threatened to be difficult. For trucking and railroad deregulation there were fears of massive job loss and the disruption of service to small communities. How Carter and a very skilled team broke these logjams makes this history of the often dull federal bureaucracy and lawmaking process genuinely exciting.

This book is excellent administrative history. Its major contribution is its coverage of the period from 1950 to 1980. This is a story that has not been told before beyond the effects on a single mode of transportation. The book does not tell us much about the carriers, the unions or the customers of transportation. The material up to the Transportation Act of 1940 is a good, concise summary that has been well-covered elsewhere. A short chapter on the results of deregulation from 1980 to 1995 tries to do too much in too short a space. But the heart of the book is an important contribution and a good story.

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At the heart of *Ruling America* lies what is arguably the greatest American paradox: the question of how class distinctions, in particular the formation of a ‘ruling elite’ and its continued existence is possible in a nation built on the notion of ‘rule by the people’.

*Ruling America*’s narrative chronicles the formation of this ruling elite and its struggle to maintain wealth and power in the face of democratic ideology from the days of the revolution and slavery, through the Gilded Age, the Progressive Era, the divisive New Deal, America’s staunch anti-communist stance and fiasco in Vietnam, to Reagan’s conservative resurgence and its continued emphasis by the current Bush Administration.

The editors, Steve Fraser and Gary Gerstle, in their introduction point towards the present ‘intellectual aversion’ of studies related to elitism and the paradoxical American ruling class as coinciding with an era that they characterise as having ‘the largest and fastest-growing income and wealth disparities in American history’. As such, *Ruling America*, from the outset identifies itself as a pivotal work of literature filling an intellectual void which is of high relevance in the present global political climate for understanding the roots and dynamics of wealth and power in modern America.

Setting the tone for the subsequent essays, the introduction clearly demarcates the historical and political boundaries of this American elite ruling class and the paradox of its existence. The collection then opens with three insightful essays on the *ante bellum* period by John Murrin and Gary Kornblith, Adam Rothman, and Sven Beckert illustrating the ramifications of slavery on the wealth and power dimensions in newly independent America.

Further contributions chart the rise of industrial giants and an increasingly united wealthy elite during the Gilded Age that was determined to maintain its wealth and status. As suggested through the narrative, the Darwinist viewpoint spawning from the American colonial era perhaps helps explain the promotion and self-justification of a ruling class as being a ‘natural’ advancement of ‘the fittest’ in society.

Jackson Lears’ essay explores the near paranoia prevalent amongst America’s elite in their efforts to preserve their elevated status for their future generations. This fear prompted the formation of pivotal social institutions such as colleges, resorts and clubs which provided the elite an avenue to collectively bask in an air of superiority, as well as display a certain social self-consciousness that was only tested by the stock market crash of the late 1920s and the Great Depression of the 1930s. In fact, the Progressive Era was epitomised by a surprising degree of social responsibility inextricably tied to positions of tremendous wealth and power. This again is arguably indicative of the social mechanisms adopted by the powerful and wealthy to maintain their otherwise suspect notion of manifest destiny and undemocratic superiority further exemplified by Roosevelt’s imperialist ambitions for America.

The World War II era is somewhat glossed over in favour of a deeper analysis of the increasing influence of upper class intellectuals on New Deal policy and America’s post-World War II anti-communist stance, detailed in the titanic clashes which culminated in the eventual failure of US involvement in Vietnam. *Ruling America* prompts pertinent questions with regard to the legitimacy of much of America’s pro-democracy stance spanning the late 1940s to the current Bush Administration. In essence, much of America’s pivotal decisions appear to have been, and continue to be, determined by a powerful, minority ruling elite (sometimes referred to by skeptics as the ‘high cabal’) which, when considering US foreign policy, can only prompt accusations of hypocrisy and double-standards. Such accusations are rooted in the US advocacy for, or more accurately of late, imposition of, an ideology and system of governance that it itself does not truly adhere to. Thus the narrative draws a parallel between the US current global position and that of the British colonial era, as the former would in effect appear to have achieved global dominance by championing a somewhat bogus democratic cause to justify its increasing interference around the globe.

The essays collected here expose the great lengths to which America’s ruling elite strains to preserve its power and wealth, and examine the motivation behind the struggle. Democracy as a
dynamic ideological force is continually pitted against the aspirations of America’s elite. This ruling class is portrayed not as a single organised group but one loosely joined by certain ideals, in a continual state of flux with indications of deep divisions and few examples of any united action early on.

Undoubtedly, *Ruling America* provides valuable insight into historical periods that trace the growing power of an elite ruling class, but perhaps its true value lies in the questions the narrative prompts about the balance of power in the world’s most powerful nation. This collection of essays, by a number of accomplished historians, works equally well when read as a single chronological sequence on the power and influence of America’s wealthy elite, or when dipped into to explore a specific historical period. *Ruling America* is a pertinent reference for scholars in the fields of business, economic and political history. For business historians in particular, this book provides a solid foundation to explore the machinations of big business and government inside America’s ruling class in the context of a triumphant agenda.

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**The Taylorized Beauty of the Mechanical: Scientific Management and the Rise of Modernist Architecture**

**MAURO F. GUILLÉN**

Princeton and Oxford: Princeton University Press, 2006

xii + 186 pp., illus., h/back ISBN 0 691 11520 6 ($18.95)

In this book, the historical sociologist and Wharton School professor Mauro F. Guillén focuses on the intersection between aesthetics, business, and technology between 1890 and 1940. He argues that an engineering approach and the tenets of scientific management were critical to the emergence of modernist architecture. The book is an extension and elaboration of an argument first developed in a paper published in the prestigious management journal *Administrative Science Quarterly* in 1997. In situating and supporting his arguments, Guillén looks primarily to architectural history and the sociology of professions and organisations, rather than to the history of business and technology.

Initially, Guillén provides brief introductions to both scientific management and modernist architecture, establishing their parallel fascination with notions of standardisation, order, unity, and efficiency. Then he lays out his research plan of examining the top ten architects (based on mentions in key architectural references) in each of the six largest European countries (France, Germany, Great Britain, Italy, Russia/Soviet Union, and Spain) and four largest countries in the Americas (the United States, Argentina, Brazil, and Mexico). Drawing on primary and secondary sources about the architects’ writings and beliefs, he coded each architect on the following four-point scale: reacted against scientific management; reacted against mechanisation and standardisation; reacted favourably to mechanisation and standardisation; reacted favourably to scientific management (Appendix, p. 149).

The title of the third chapter poses the central question of the book: ‘What Caused Modernist Architecture?’ (p. 33). After briefly reviewing several explanations represented in the architectural and sociological literature, Guillén previews his argument that industrialisation, sociopolitical upheaval, and class dynamics are sometimes necessary but not sufficient conditions for the emergence of modernism. Instead, he emphasises explanations based on the role of industrial firms and states in sponsoring modernist architecture, and the professionalisation of architecture on an engineering rather than Beaux Arts model.

The next three chapters examine the emergence of modernism in three groups of countries (the US is discussed briefly in the first three chapters as the source of scientific management but a laggard in adoption of modernist architecture). His analysis of the first group – Great Britain, France, and Germany – highlights the role of the state and of industry as patrons for modernist architecture, and the moral mission of the great modernist architects to improve factory and urban life. Germany was the most advanced in modernist architecture with the Bauhaus architects and
figures such as Ludwig Mies van der Rohe, while France lagged in the development of modernism until the relatively late rise of Le Corbusier in the 1920s. Despite early British industrialisation and the influence of the British Arts and Crafts movement on modernism, Great Britain lagged even further behind in modernist architecture, undercutting a technologically determinist view of industrialisation causing architectural modernism. The next three countries – Italy, Russia, and Spain – were characterised by industrial backwardness and revolution. Nevertheless, important elements of modernism emerged in all three – futurism and rationalism in Italy, constructivism in the Soviet Union, and expressionism in Spain. Finally, Mexico, Brazil, and Argentina demonstrated the possibility of ‘Modernism without Modernity’ (p. 91). Here, modernism was imported from Europe and modified to fit countries that had not undergone significant industrialisation.

In chapter 7, Guillén assembles his neo-institutional argument that state and firm sponsorship of architecture and the professionalisation of architects around engineering training rather than the Beaux Arts tradition both played critical roles in the rise of architectural modernism. He draws on the national case studies to reject arguments based on industrialisation, sociopolitical upheaval, and class dynamics. He also constructs a network analysis of relationships between the various architects, and suggests the desirability of (but, unfortunately, does not provide) a network analysis of ties between architects and scientific managers.

This book is pioneering in its attempt to link aesthetics to industrial management, organisations, and national circumstances. As a comparative sociologist, Guillén covers a broad sweep as he illuminates links between modernist architecture, the state and industrialists as architectural patrons, and the engineering-oriented ideology of modernism.

Historians of business and technology are likely to be frustrated by the treatment of scientific management, which sometimes conflates aspects of industrialisation, engineering, and the era’s broader search for efficiency, order, and system with the specific techniques of scientific management. Indeed, the four-point coding scheme illustrates this conflation by using a single continuum to represent both sets of issues. Many US managers and engineers (and, presumably, architects) reacted favourably to mechanisation, standardisation, and the search for efficiency but unfavourably to scientific management techniques such as time and motion studies and functional foremanship. Guillén makes a well-supported argument that architectural training shifted from apprenticeship in the Beaux Arts tradition to professionalisation in the engineering tradition, and that this shift was one factor that encouraged the emergence of modernist architecture. Nevertheless, an architect trained as an engineer was not necessarily an advocate of Taylorism.

Architectural historians and aficionados are likely to be troubled by Guillén’s use of sociological rather than aesthetic criteria in his choice of countries and architects. His country size criterion leads him to omit, for example, Finland, home of Eliel Saarinen and Alvar Aalto, and Austria, with Josef Hoffmann and the Wiener Werkstätte and Vienna Secession groups. They may wonder how Guillén’s argument would have stood up to such aesthetically important additions.

Despite these issues, the book is valuable in that it brings together cultural, business, and technological history and attempts to understand their interactions. Business historians can learn from this approach.

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Entrepreneurship and the Growth of Firms
PER DAVIDSSON, FREDERIC DELMAR and JOHAN WIKLUND
Cheltenham, UK: Edward Elgar, 2006
x + 240 pp., h/back ISBN 1 84542 575 8 (£59.95)

The book consists of a collection of the authors’ previously published papers on firm growth and entrepreneurship, plus an introductory chapter that overviews what follows. It is presented in three parts. A strength of the book is the direct way in which it confronts weaknesses in the existing body of empirical work on firm growth, and suggests ways forwards. As such it should be of interest both
to empiricists and to others who wish to more fully appreciate the weaknesses in current empirical literature. It will also be useful to those with a particular interest in the authors’ empirical studies. However, the book does not set out to provide a comprehensive overview of literature on entrepreneurship and firm growth.

Chapters 2, 3, and 4 form Part I. Chapter 2 concerns definitions of entrepreneurship, and how they relate to firm growth, the authors preferring the definition of entrepreneurship as the creation of new activity. Entrepreneurship is sometimes growth, and growth is sometimes entrepreneurship. Growth by acquisition does not normally count as entrepreneurship, however. Organic growth is therefore a measure of entrepreneurship, though an imperfect one. Chapter 3 notes shortcomings in literature on small firm growth, stressing the lack of longitudinal studies. It discusses the problems that designing a longitudinal study involves, and also covers different measures of firm growth. Chapter 3 presents statistical analyses used to investigate the implications of different measures of firm growth, showing that relative measures are not comparable to absolute measures, and comparing growth measured in terms of sales with growth measured in terms on the number of employees.

Parts II and III present empirical studies based on data on firms in Sweden. Part II is on growth expectations and aspirations, and consists of chapters 5 and 6. Chapter 5 looks into the firm size expectations of nascent entrepreneurs from a social cognitive process perspective. The study confirms that most nascent entrepreneurs have low growth aspirations. While the study leads to the conclusion that there is limited potential to predict the future growth of start-ups, a number of indicators reflecting the entrepreneur’s early stage level of commitment have some predictive ability. Chapter 6 notes that small business managers often resist growth opportunities, and goes on to explore the determinants of growth aspirations. The dependant variable in the study is based on the attitude to a doubling of employees over a five-year period, rather than to a growth in sales. The study finds that, rather that the prospect of financial gain being the overriding factor, expectations regarding employee well-being stand out.

The final part of the book consists of chapters 7, 8, and 9. Chapter 7 investigates the relationship between entrepreneurial orientation and performance. Entrepreneurial orientation essentially amounts to a composite measure of factors such as innovativeness, risk taking, and proactiveness. The performance measure was based on financial performance and growth indicators. The results show an association between entrepreneurial orientation and performance, though the effect of the availability of financial capital is stronger. Chapter 8 investigates the contribution of high-growth firms to Swedish employment over the period 1987 to 1996. Young firms were found to be much more likely to be high-growth firms. Higher growth firms were also more likely to be in young and growing industries. Most growth in older firms was non-organic, in contrast to that in young firms. Chapter 9 concludes the book by looking into firm characteristics and growth. It notes the failure of previous research to recognise the heterogeneity of the nature of firm growth, and relates firm growth patterns to firm characteristics, such as firm age and type of industry. A cluster analysis identified seven clusters, indicating systematic relationships between firm characteristics and growth. It was also found that the particular firm growth measure that is used is crucial to studies on firm growth, there being a low correlation between the different growth measures used in the study.

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