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## Book review: history and heritage: the social origins of the British industrial relations system. by Alan Fox

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History and Heritage: The Social Origins of the British Industrial Relations System. by Alan Fox

Review by: Craig Calhoun

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in Britain further integrated Labour into the regime and promoted a constitutional and moderate politics of the Left. In short, it was not war as such—both societies experienced rather common patterns of mobilization—but the specific state response to war that provided in each country the distinctive nucleus for working-class formation. Even bearing in mind the exploratory character of this argument, the reader can find more than ample stimulus to future research in this suggestive book.

*History and Heritage: The Social Origins of the British Industrial Relations System.* By Alan Fox. Winchester, Mass.: Allen & Unwin, 1985. Pp. xiii + 481. \$42.50.

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British industrialization has served as the empirical basis for many modern ideas about economic development. In the first couple of decades after World War II, this tendency to model on the British case was especially strong in the field of industrial relations. The British system of minimal formal rules and maximal recognition of varying interests seemed the model of “maturity” and thus both the most desirable and most likely future for less developed systems, such as those of the United States and continental Europe. With 20 years’ hindsight, such ideas sound preposterous. Since the middle 1960s, the British case has come to seem an outlier, the basis for cautionary tales about the failure to modernize. Explanations of the near demise of the British economy tend to lay a significant part of the blame at the door of its industrial relations system. “Blaming the unions” is disproportionately, but not exclusively, a right-wing account of disaster. Less reactionary commentators, of whom Alan Fox is one, are apt to note that the same sort of uncreative protection of self-interest and “restrictionist pre-industrial spirit” for which unions are faulted has long characterized British management as well (p. 385).

Fox is a prominent specialist in both the history and contemporary workings of the British system of industrial relations. In *History and Heritage*, he attempts a synthetic statement of how this “system, its institutions, its characteristic texture and its place in the wider society” came to be what they are (p. xi). The result is a generally authoritative, often wise, if sometimes ponderous account. Fox does a nice job of setting British developments in a comparative context; his telling references to France, Germany, and the United States are made with so light a touch as not to distract. He is at his best on the emergence of the system in the late Victorian era and especially on its consolidation in the face of successive challenges from the 1890s through the early 1960s. Here his account is well supported and convincingly argued, revealing a familiarity with sources that leads the reader to trust his judgment. In contrast, his account of the pre- and early industrial periods, up to the mid-19th century, is rather abstract and lacking in the rich range of details and examples

characteristic of his middle chapters. He is also more arbitrary and less up-to-date in his use of sources in those earlier chapters, relying heavily on a few fairly general works, such as those by the Hammonds, the Webbs, Rudé, and Thompson. On the contemporary period, Fox offers a range of insightful commentary, especially on the maintenance of an artificial distinction between political and economic activity, but his discussion is more suggestive than thorough and very sketchy in regard to the underlying technological and organizational changes. Perhaps this less certain grasp is because he is treating the still unfolding contemporary drama, but Fox makes surprisingly little use of relevant industrial sociology such as the work of Duncan Gallie.

The story Fox has to tell is interesting and significant. Among other things, it is the tale of how the particular system of rule and order that was developed in Britain allowed a kind of class conflict that had once seemed revolutionary to both its supporters and its critics to gain acceptance and stable institutionalization. "The whole inheritance of constitutionality, rule of law and political freedom, profoundly flawed though it was by class privilege, prejudice and gross inequalities of power, provided footholds and leverage for organised groups among the working class, provided they showed no intention of using them to overturn the social system" (p. 230). Notably, it was politicians, the direct "rulers" of Britain, who made most of the concessions, and their legislation often was needed precisely to counteract the reactionary decisions of judges whose antilabor rulings risked provoking the very insurrection they feared. Nonetheless, concessions were made to workers, and, indeed, an ideology of representation developed that suggested that, through their chosen representatives, they deserved a share of political influence as one of the basic interests of the country. The resulting system purchased "political and social stability at the price of diminished innovation and hyper-cautious attitudes to capital investment" (p. 343). Indeed, the main challenges to the emergent system in earlier periods had come not from radical socialists but from extreme liberals on the one hand, with their atomistic individualism and contempt for all labor organization, and protofascists on the other, with an ideology of national unity backed by a militaristic central government. As Fox makes clear, the former had an enduring resonance in English culture that the latter lacked.

The full participation of organized labor in the Second World War seemed to signal complete incorporation. The postwar Labour government shared the same fundamental understandings of how the system was to work as its Conservative and Alliance predecessors. Ironically, however, this very moment of seeming triumph was based on the belief that England remained or would soon again become a major industrial power. Germany, Japan, and France all suffered traumatic defeat and military occupation but went on to modernize their economies. In Britain, the leaders of all political parties encouraged the illusion of having won the war, "a victory achieved in fact predominantly by the Soviet forces and the immense productive capacity of the USA" (p. 363). The

result was that, though Britain lagged during the period of general growth in the world economy, the British remained confident; when crisis hit that world economy, it found Britain woefully unprepared. The British industrial system lacked any mechanism for reaching national agreements about the introduction of new technology, the matching of redundancy with retraining and new opportunities, and so forth. The traditional system was based on a self-interested individualism, albeit often collectively pursued, which made it very difficult to keep broader ideas of national or community interest in mind. This was combined with a widespread ideology of a minimal state that served not to establish the common good but to serve essentially selfish individual interests. Indeed, although Labour governments expanded various welfare programs, they were not particularly innovative in regard to the industrial relations system or in constructing government mechanisms for identifying and pursuing socialist common purpose. Where nationalization occurred, for example, Labour followed the Conservative precedent of establishing independent public corporations that “adhered to the essentially bureaucratic, hierarchial structure of authority, decision-making and status common to all previous large-scale organisation. This, along with the instruction laid upon them to operate by ‘normal commercial principles’ resulted in a work experience for their employees which differed little, if at all, from that in the private sector.” Nothing changed for unions either, so “the enlargement of the public sector brought no new principles or major initiatives to the industrial relations system” (p. 319).

According to Fox, when the crisis struck, a government interested in pursuing what it saw as the national interest could choose among three strategies (pp. 439–42). The first would be to mount a massive campaign to convince the public to forgo sectional interests in favor of common ones. The second would be to declare the state a third party along with business and labor in corporatist bargaining aimed at reaching agreement on economic policy. The third would be to abandon bargaining and simply attempt to enforce policies of economic management. Postwar governments drew in varying proportions on all three strategies, with the third becoming prominent only after the mid-1960s and achieving predominance in the Thatcher government. Even though that government abandoned the pursuit of consensus and chose instead simply to force its policies on labor unions and other groups that found them distasteful, its hard policies do not seem to have mobilized any popular movement for radical social change. As Fox sees it, the present situation (the “present” in his book seems to be about 1982 and thus before the emergence of the Social Democratic Party and its alliance with the Liberals) does not reveal fundamental innovation. Thatcherism represents a “liberal” (atomistic-individualistic) conservatism, which had been developing for some time as traditions of service, community, and a sense of elite obligation to the poor declined. The fact that the welfare state eliminated most of the extremes of poverty only accentuated this tendency because the merely “less well off,” no matter how ill done by they may be or how extreme the

overall inequality is, do not command the sympathy of the manifestly and absolutely poor. For any real change to come, Fox thinks, especially in the direction of equality, “the concept of community needs to have some practical behavioural significance for everyday life. A new radicalism, seeking such renewal, would have to concert with the trade union movement on the basis that the industrial relations system could not be exempted from the reconstitution. At the moment, few outcomes seem less likely” (p. 450). There is a sense, Fox concludes, “in which a whole political and industrial tradition has been played out. This does not mean that British society is incapable, on some level, of continuing, perhaps for some considerable time, relatively comfortably. It does mean that it may be incapable of the sort of renewal necessary to sustain long-term adaptation at a high level of economic and social welfare” (p. 450).

*Directors of Industry: The British Corporate Network, 1904–1976.*  
By John Scott and Catherine Griff. New York: Blackwell, 1985.  
Pp. xvi + 226. \$39.95.

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In this new study of the intercorporate network in Britain, John Scott and Catherine Griff contribute to the structural analysis of British business in the 20th century by analyzing the network of interlocking directorates of major corporations. For those interested in corporate power structures, *Directors of Industry* is a useful book that addresses the major theses and debates in the field through the examination of interlocking directorships and, to a lesser extent, of capital and kinship relationships among large financial and nonfinancial corporations.

The authors first lay out a theoretical framework for the analyses. Arguing against the managerialist position on industrial capitalism, they stress the importance of intercorporate relations in understanding the actions of large enterprises. They describe four alternative models of corporate power structure—resource dependence, class cohesion, finance capital, and bank control—to be explored and evaluated through their empirical analyses.

This examination of intercorporate networks is based on data on the directors of the 200 largest nonfinancial corporations and 50 largest financial corporations in Britain in 1904, 1938, and 1976. The structure of the overall network of relations formed by directors in each of these three years is examined, as is its individual membership. The authors focus particularly on primary interlocks—those formed when an inside, executive director of one company holds an outside, nonexecutive directorship on another board, because these are assumed to be stronger than those involving only outside directors. More limited data are presented on kinship and capital relationships among the 250 largest firms.