

Business Structure, Business Culture and the Industrial District: The Potteries, c.1850–1914. *By Andrew Popp*. Burlington, Vt.: Ashgate, 2001. viii + 288 pp. Bibliography, tables, index. Cloth, \$79.95. ISBN 0-754-60176-5.

Reviewed by Marc J. Stern

Conceptually challenging and enlightening, although sometimes hard going, Andrew Popp's study of Staffordshire's potteries brings an impressive array of theoretical studies and economic, business, and management history to his examination of the evolution of the trade, individual firms, and the industrial district. Popp, who teaches in the Royal Holloway College's School of Management at the University of London, repeatedly and directly engages with commentators past, notably Alfred Marshall and J. A. Hobson, and present, in particular Charles Sabel, Jonathan Zeitlin, William Lazonick, U. Staber, and Philip Scranton, throughout the text to determine the potteries' special history and the theoretical lessons to be drawn from using Staffordshire as a case. In particular, Popp argues that the evidence simultaneously supports and undermines arguments espoused by both Alfred Chandler and analysts and proponents of flexible specialization as an alternative model of development.

Staffordshire's potteries ranged widely in size during the period he covers, but small and medium-sized shops dominated the scene. The trade's dependence on skilled labor and ready access to used equipment meant easy entry into this competitive industry for workers-become-masters. Few firms entered the field large or grew via mergers; rather, as predicted in Marshall's late-nineteenth-century theory, they grew from smaller shops. Personal rather than managerial capitalism dominated the district. Staffordshire's several towns specialized in serving different markets. While some firms decorated their own ware, separate decorating shops emerged, "suggesting that some of the considerable burden of achieving product differentiation and stylistic change was increasingly handled at a district level rather than within the individual firm" (p. 51).

The potters faced many challenges between 1880 and 1905. Foreign competition became a "real, substantial . . . and lasting" factor both in domestic and international markets (p. 80). Tariffs in both the high-wage United States and low-wage Europe challenged late-nineteenth-century Staffordshire firms overseas, while low-cost European, and especially German, products invaded domestic markets. Price rivalries increasingly emerged among English producers who had previously competed via style and decoration. Despite the belief among many observers that bulk or mass production was inevitable, small, batch-oriented firms remained important players, even as colonial and commonwealth markets grew and exports expanded after 1900.

Notwithstanding sporadic efforts at mechanization, the potteries remained dependent on skilled labor in a highly divided process. The availability of skilled workers and cheap equipment deterred capitalization and allowed firms “to pursue based on niches, differentiation and flexibility, strategies to which unit prices, throughput and internal economies of scale were not decisive” (p. 96). Complex interfirm networking and hands-on traditional training discouraged radical reorganization in these undercapitalized shops. Product innovation outpaced process shifts in an environment plagued by overproduction. Furthermore, the skilled labor intensity of the work deterred substitution of cheaper female for male labor. These limits were sustained by “the cultural attributes of both workers and manufacturers,” including traditions of family employment and subcontracting. Lack of desire to change “must be understood as reflecting, in part at least, an appreciation of Staffordshire’s genuine strengths” (p. 110).

Popp underestimates the importance of female labor to the potteries’ survival given the dramatic limits on the feminization of labor in high-wage American potteries and the higher numbers of women at work in Germany’s lower-wage potteries. Since thousands of saucer crews were already headed and staffed by women forming-machine workers by 1890, it seems likely that the trend toward hiring more women progressed further than it did. International comparisons and, indeed, more microanalysis of variation within the district would have helped here. In any event, market and firm structure, economics, and culture clearly helped “determine” the slow change of Staffordshire’s shops.

Batch production “based upon differentiation and focus” (p. 120) ruled the potteries. “Design capabilities,” their capacity to craft ware appropriate for a price-sensitive market “as society became increasingly ‘aestheticized’ and taste democratized,” were particularly important in their success or failure (p. 121). In contrast to American shops, Staffordshire potteries kept relatively little finished stock. Stock was held best in partially finished form so that orders could be decorated and filled quickly but firms would not be caught with out-of-date styles. Following on Regina Blaszczyk, Popp targets the trade press as a mediating force, relaying information about style and market demand. Such public discussion encouraged little proprietary control over style. Pirating of designs was common, and transfer printing and, later, lithography, allowed the diffusion of decoration to all market levels over time.

Few firms built up large, integrated sales organizations; most relied on “a sophisticated, hierarchical and disintegrated institutional structure” (p. 133), featuring dealers and wholesalers. These were not necessarily anonymous sales: networks of both kinship and religion remained important, and “reputation was a collective as well as an individualized phenomenon” (p. 151). Information flowed back and forth between seller and buyer, but the flow was hardly perfect.

Indeed, some dealers made sure the parties did not know one another. Such imperfections encouraged the development of sales agencies.

In this context, and contrary to the Chandlerian model, even esteemed high-class producers, such as Minton and Co., followed strategies to preserve their structure. Firm culture proved crucial. Strong firms remained true to their internal strategies and, as in Minton's case, survived rough times between 1880 and 1900 without totally reinventing themselves. Culture and personal capitalism led the firm to ignore warnings from accountants, who correctly analyzed Minton's situation. Although the company restructured financially, it remained committed to its core competencies and survived rather than risk costly capitalization or shifts to new markets. Personal capitalism and a commitment to enduring the losses allowed the firm to survive and, eventually, return to an established standing as a prestige producer.

Unlike Minton and a small but growing number of larger integrated shops, most firms relied heavily on auxiliary firms for specialized tasks. These capital-intensive auxiliaries grew prior to 1880 and contracted when the economy slowed somewhat thereafter. Following on Scranton's work, Popp notes that the "disintegrated structure delivered to the majority of firms an important external economy" (p. 205). Potters relied on these ancillary networks to provide themselves with "risk reduction and economies of flexibility," especially during unpredictable market conditions (p. 206). Popp makes a strong case for the system's role in biasing development toward smaller potteries.

Finally, Popp considers the role of collective action among firms, an important component of industrial districts discussed by all commentators. Competition and individualism repeatedly compromised efforts to organize, and economic downturns accentuated resistance to collective action. While larger firms and leading entrepreneurs promoted these ventures, most small shops demurred. Divisions based on "religion, politics, place of birth, the age of firms" (p. 231), splits within districts based on product markets, and rivalry among the towns undermined these organizations. The reality of industrial, market, and district structure thus compromised seemingly likely collective action. Popp acknowledges that Americans established more successful organizations. Unfortunately he does not analyze this significant difference. International comparison here could have been used to very good effect.

In sum, Popp has produced an important and complex study that adds substantially to our understanding of both industrial districts and the pottery industry. His work helps qualify and modify some of the certainties about efficiency, organization, and networking embedded in the new literature pertaining to industrial districts and non-mass-production industry. This is not to say, of course, that all is well with the text. His perpetual exchanges with other historians and

economists frequently disrupt the flow of the book; placing at least some of these in the notes would have been a real help. In addition, while focusing on uneven development within the district, the book pays insufficient attention to fields such as tile and sanitary pottery, both of which displayed unusually high levels of innovation and range of development. International comparisons in these areas would also have proved profitable. Narrative limitations aside, however, this book is an important contribution to both the study of Staffordshire's potteries and the concept of the industrial district.

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