

Private and Public Enterprise in Europe: Energy, Telecommunications and Transport, 1830–1990. By Robert Millward. New York: Cambridge University Press, 2005. xix + 351 pp. Maps, tables, figures, appendix, bibliography, notes, index. Cloth, \$90.00. ISBN: 0-521-83524-0.

Reviewed by Jim Tomlinson

This book is a major contribution to the economic and business history of nineteenth- and twentieth-century Europe. It offers a comparative account of the development of key sectors of the Western European economies, organized around the issue of the origins and development of public intervention and ownership. The scope of the work means it has no near rival in the literature, the nearest perhaps being the volume edited by Pier Toninelli, *The Rise and Fall of State-Owned Enterprise in the Western World* (2000), which, however, only deals with the twentieth century. By contrast, Robert Millward covers the whole period, beginning with the invention of the railways and ending with the privatization initiatives of the 1980s.

A number of accounts of the history of the energy, transport, and telecommunications industries in Western European countries already exist, but almost all deal with these sectors individually, and they usually do not extend their treatment beyond the boundaries of one country. This book offers a genuinely comparative account, both between sectors and between countries. The vast amount of information involved in such a study is made coherent by its focus on a small number of themes. The overarching concern is with the ways in which economic, rather than sociopolitical, factors explain the development of public intervention in the sectors covered, especially the rival doctrines of capitalism and socialism. Linked to this keystone are themes concerning the relative effectiveness of public and private provision, the reasons for convergent and divergent patterns of public regulation and ownership, changing technologies in the sectors concerned, and the importance of changes in the macroeconomic environment in explaining the scale and scope of government activity.

While thematic in approach, the book is organized chronologically. The first part deals with the period from 1830 to the First World War, focusing initially upon the issue

of rights of way, which is seen as a critical generic concern of government in relation to the network industries (energy and transport), and occasioning the “first wave” of government intervention in these sectors. Granting rights of way led to governmental concern with the soundness of the bodies entrusted with these rights, the control of profits generated by the exploitation of these rights, and the extent to which the rights should be monopolized. In summary form, the argument here is that many of the cities and big towns of Western Europe developed forms of municipal regulation and ownership in the mid-nineteenth century, not through adherence to “municipal socialism” but, among other motives, in order to improve their fiscal position and to provide cheap inputs for local industry. Millward tends to play down the issue of public health, which dominates so many accounts of nineteenth-century municipalities, stressing the limited franchise usual in these places and the impact of this on contemporary priorities. Paralleling the rise of local government activity in sectors like gas and water was the expanding role of the national state, especially in railways and the telegraph. Intervention at this level was linked partly to the regional and national network economies provided by these technologies (in contrast to the local economies of coal, gas, and water), but also to the attempts to build up national economies; railways and the telegraph were essential parts of nineteenth-century nation-building.

The second period covers 1914 to 1945, during which time there was a striking expansion of state intervention in the sectors discussed here, most dramatically in the role played by the central state. This expansion is said to have derived in part from the changing technologies of electricity and the rise of the telephone (with their incentives for national networks), the growing competitive problems of the railways, and the strategic implications of coal and oil supply. This focus on technological and strategic factors underpins the arguments of the third part, which suggests that the major expansion of the role of the state after 1945 was building on a trend already established in the interwar period and was driven primarily by nonideological factors. Again, the major drivers of the role of government are viewed as responses to technological shifts and strategic concerns, coupled to the postwar focus on national economic development and working-class living standards. The book concludes with a discussion of privatization, seeing its rise as a verdict not on the productive efficiency of public-sector industries,

which it is argued were as efficient as their private-sector counterparts, but above all on their financial problems, which were ultimately brought about by the incompatibility of profitability with the obligations that governments imposed upon them.

As the above summary should have made plain, this is an ambitious book, with a broad scope and a strong thematic thrust. The author cautions that its breadth and his limited language competence have inevitably led to gaps. It is true that Britain and France are given disproportionate space, and that some topics (nuclear power, for example) are notably absent. Nevertheless, an immense amount of evidence, including large amounts of data, is deployed here, and it is presented in a way that never allows the details to get in the way of the argument. Especially helpful are the periodic summations of “the argument so far.” To what degree the overall argument is persuasive may be disputed by some. The focus on commonalities of response by governments driven by transnational technological, economic and strategic forces is, at least, a useful counterweight to excessively political and ideological accounts of the economic role of the state, which also tend to be very oriented toward individual nations. More broadly, this book suggests how we might see political arguments about the role of the state, not only or so much as the *cause* of policy change as themselves built upon already existing shifts in economic conditions. With political argument, as elsewhere, we can perhaps say that material reality creates consciousness, not the other way round.

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