

Macrosociologies -- Forging Industrial Policy: The United States, Britain, and France in the Railway Age by Frank Dobbin  
**Contemporary Sociology**; Washington; Nov 1994; **Campbell, John L**;

Volume: 23

Issue: 6

Start Page: 822

ISSN:

00943061

Subject Terms:

Sociology

Railroads

Nonfiction

History

Economic development

Geographic Names:

United States

United Kingdom

US

UK

France

Full Text:

Copyright American Sociological Association Nov 1994

Forging Industrial Policy: The United States, Britain, and France in the Railway Age, by Frank Dobbin. New York: Cambridge University Press, 1994. 262 pp. \$47.95 cloth. ISBN: 0-521-45121-3.

Frank Dobbin brings culture back into comparative political economy. Specifically, he argues that national political cultures shaped the policies that guided the development of railroads in the United States, Britain, and France during the nineteenth century by influencing how policymakers perceived the industry's problems and defined solutions. By "political culture," he means the historically given view policymakers have of the proper relationship between state and civil society and the manner in which this view is institutionalized in state structures. For instance, in the United States beliefs in community sovereignty, institutionalized in a federalist system of government with weak national policy-making

capacities, enabled local and state governments to play a key role in planning routes, financing development, and regulating safety, pricing, and competition during the industry's initial development. Conversely, in France, where centralized state authority was believed to be necessary in order to protect the public interest and where the administrative capacities of the nation-state were well developed as a result, technocrats in Paris orchestrated a highly centralized national railway system. Finally, in Britain the political imperative of guarding the prerogatives of sovereign citizens was translated into protecting sovereign firms and individuals. Hence, the British tried to protect vulnerable railway entrepreneurs, employees, and passengers rather than market mechanisms per se with a minimum of state intervention. In short, nation-states developed institutions for organizing economic life in the railroad industry that paralleled those they used for organizing political life in general.

These arguments are derived from the "new institutionalism" of organizational analysis insofar as institutionalized structures of meaning are said to constrain decision making through complex, path-dependent processes. In fact, the development of a cultural account of path dependency is one of the most interesting features of the book. By developing such an account, Dobbin takes deliberate exception to several competing theoretical traditions that seek to understand the development of industrial policy and organization. In particular, he makes a strong case against economic historians, such as Alfred Chandler, who argue that industrial policy and organizational outcomes are rational responses to an industry's special economic circumstances and that there is one best way to organize economic activity within an industry. Instead, Dobbin shows that there can be many efficient ways to organize an industry depending on the unique political and industrial cultures within which it is embedded, a lesson of great relevance to current debates about industrial policy. Furthermore, by documenting how British and French rail policies descended directly from turnpike and canal policies dating to the seventeenth century, he shows that national industrial strategies are influenced at least as much by previous strategies as they are by the relative positions of national economies as either early or late developers, as Alexander Gerschenkron argued.

Moreover, in contrast to the so-called state-centered institutionalism of political sociology and political science, which argues that policy-making

is constrained largely by the organizational capacities of policymakers, such as the degree to which they are bureaucratically insulated from politics or have access to strategic resources, Dobbin maintains that cultural prescriptions are at least as important. To support his case, he provides evidence, often from parliamentary and congressional debates, documenting that the arguments about how government ought to facilitate railway development were constructed in terms of the prevailing political culture of each country. However, there is more to policy-making than public debate. Unfortunately, we get little sense of how politics, political parties, and the organizational capacities of business, labor, and other important interest groups, among other things, influenced outcomes. Thus, it is not always clear how important cultural conceptions were as determinants of public policy relative to these other factors. It is also assumed, perhaps because it would be hard to prove one way or the other, that the rhetoric of these public debates reveals culturally determined preferences as opposed to symbolic cover for more materially based interests.

The point is that the relationship among ideas, interests, and institutions as determinants of policy and organizational outcomes is a very thorny problem for social scientists. Despite my criticisms, Dobbin makes a valiant contribution by arguing forcefully for the primacy of cultural constructs, and he sensitizes us to this important and often-neglected determinant of public policy and industrial organization. As a result, this exceptionally well-organized book should be required reading for everyone interested in political and economic sociology, comparative political economy, and economic history.