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## Local Business Voice and the Chambers of Commerce

### 1.1 CHAMBERS AS STRUCTURED VOICE

This book is the first scholarly and systematic history of chambers of commerce, but it also aims to engage modern chamber managers and members, and better inform contemporary policy makers. Whilst history is never repeated, we can all learn from the past and for chambers the resonances across their 250-year history are remarkable. Indeed, many of the experiences are repeated over time, and modern readers may find some closer modern resemblances to the 18th century than any of the intervening years.

The book gives an overview, but combines this with local detail. It is written mainly from the bottom up using local archives and modern local sources: it is a story of local leaders and local communities combining their efforts nationally. Since chambers are about voice, readers will be able to recognize the role of personalities, since voluntary bodies are all about people. Chamber voice involves lobbying, representing, informing, and making the concerns of business known to government and other agents. As quintessentially local bodies, this voice articulates the voice of local communities of businesses. The book emphasizes intertextuality, taking the reader to the mindset and context of those giving voice, and how they reflected the society and concepts of their time. Chambers had their origins in the 1760s when the voice of the business community took new form and shape, driven by new local demands to represent, and by the perceived inattentiveness of government. Modern chambers will recognize the same core issues today, though the vocabulary has evolved.

The chambers investigated are those in the UK, Ireland, and early America, because this grouping has common origins and the unifying characteristic of being formed under common law as voluntary bodies. These chambers differ fundamentally from the European systems under public law. The analysis of the American chambers becomes brief after the 1840s, due to lack of space, but its developments are included where relevant. The Irish chambers are given thorough treatment until 1923, and then included as fully as possible within the space available; but there is certainly scope for further Irish research, for which this book should provide an important starting point.

Because chambers are voluntary, definitions can be difficult. This book takes as the five defining characteristics of the bodies investigated that they seek to act as *voices* of the local business community; are *voluntary* (hence expressing independent, grass-roots local needs/desires); represent *general* interests (not individual interests of a firm or sectors); are *locally rooted* in a specific business community or an area; and their voice is derived from and legitimized by a *deliberated* process in an open and transparent way (such as consultation required by a memorandum and articles of association).

The chambers of commerce are the main focus of the book. These are the longest established and historically the most significant agents of local business voice anywhere in the English-speaking world. Their foundation in the 1760s far pre-dates any other surviving business organization in the UK, Ireland, or America: the forerunner of the CBI, for example, was established only in 1916; and the national US Chamber of Commerce in 1912. Local chambers of commerce continue to be the main agents representing the interests of businesses in their areas, play a role as partners with local and national government and other organizations in promoting and supporting their local economies, and also provide direct services and advice to their members (and often to non-members). But there are also other current and former organizations. The book looks more briefly at other bodies to understand how they interplay across different geographies, missions, and rival repertoires of voice that compete with chambers of commerce. This includes chambers of trade, chambers of agriculture, and the trade protection societies that formed rival or complementary networks from the 1850s, many still surviving today. In modern times there are also bodies representing small firms, national bodies, and sector bodies that may have regional or local structures.

## 1.2 OVERVIEW

It is surprising that there has been no previous systematic study of chambers and related local bodies. There have been two valuable ‘official’ histories covering the whole chamber system in Britain, but nothing for Ireland or early America.<sup>1</sup> There are local ‘official’ and other histories for many of the major chambers, published at various dates.<sup>2</sup> However, these previous histories do not give a full coverage of the system in an inclusive way. There have also been a number of significant errors and misinterpretations that this book seeks to redress, particularly concerning origins and early history.<sup>3</sup> In addition, there are many important places for which there are

<sup>1</sup> Ilersic and Liddle (1960) and Taylor (2007). Note that whilst Ilersic and Liddle was indeed a commissioned official history, Taylor’s is a far more objective and wide-ranging study, written as a former director general of the national chambers association when in retirement, and adopted for induction training of senior staff. It is a valuable study, particularly for the commentary on his years as director general, 1984–98.

<sup>2</sup> See the Bibliography of Local Chamber Histories, below.

<sup>3</sup> There has also been copying of errors between sources; and many chamber histories draw on a booklet by Dunwoody (1935), secretary of the ABCC, which contains misleading dates and statements about the early period.

no fully developed local chamber histories. One major gap, the first Liverpool chamber of 1774–96, has been published as a separate book by the author, which is drawn on where relevant.<sup>4</sup> For related bodies there is only brief coverage.<sup>5</sup>

This book offers the systematic framework previously lacking. It seeks to be definitive and (within reason) exhaustive in order to provide to other researchers, and those in the chamber system itself, a firm foundation of detailed assessment, and a resource of long-term aligned local data and definitions. It particularly seeks to combine statistical generalities with local stories, using an aligned database of statistical materials. The result should be a context for future local studies and a guide to sources. All significant local and national archive, library, and other sources have been consulted. The result is a focus on the bottom-up views of the locality, allowing local voices to speak within the evolution of larger national and international events. The book also looks at those who received chamber materials in government and administrative departments; it is concerned with reception as well as delivery of local voice. This has generally been lacking in previous studies, although in two areas (the Corn Laws and the debate over free trade) there have been historical studies of the politics that have drawn on chamber activities.

This book is innovative substantively, since much of the early history of chambers has been either unresearched or misunderstood. The book also seeks to be innovative theoretically, in combining primary historical, economic, and political analysis to give statistical overviews, but highlighting local contingency, personality, and the geography of place—to explain why chambers are, and were, *where* they are. It also combines analysis of management decisions and member choices to understand how chambers have been *used, managed, and valued*.

For such a long period of study, from the 1760s up to 2011, it is not possible to treat all material in equal depth. Instead, detail is provided on the major critical events and activities. In many cases these are the first detailed studies ever made for either the national or local picture. They thus seek to provide a new primary source of analysis. This is matched by a full coverage of the wider developments in lesser depth, including statistical analyses, which are again the first ever undertaken for the earlier chambers. In summary the book is heavy on the 18th century, because this has been previously little covered; it follows subsequent evolution through a series of detailed studies of critical developments; the book becomes heavy again in systematic cover from the late 1970s, since this is the period when the most significant changes to the historical development of chambers occurred, and of course this period is most relevant to understanding the modern chambers.

The book follows a thematic rather than a purely narrative historical structure, chiefly because developments are complex and locally very diverse, with the result that the evolution is not strictly chronological across what is a geographically distributed system. A thematic approach also allows specific trends and changes

<sup>4</sup> Bennett (2010).

<sup>5</sup> For chambers of trade, see NCT (1957); for chambers of agriculture, Matthews (1915), and Jeffcock (1937), though these are brief; there has been no attempt to give a history of trade protection societies, though a recent PhD thesis covers some of the ground for the Leicester TPS (Wood, 1999).

in the system to be examined more thoroughly. Also two previous national studies, by Ilersic and Liddle, and by Taylor, provide a narrative coverage that does not need to be repeated. However, to allow the themes to be put in context, Chapter 2 provides a historical overview of the different rival organizations of local voice.

### **Forces, origins, and diffusion**

Part 2 of the book introduces the first group of themes: the forces underlying the origin, diffusion, and governance of chambers. Chapter 3 introduces the multiple theoretical frameworks utilized in the book. It assesses how unity of local voice has been achieved and changed over time and observes the balances that usually have to be struck between individual and collective action, and between voice and services offered to members, resulting in the development of ‘bundled’ products. However, services are insufficient alone to explain resolute action that led to foundation and subsequent development. Chapter 4 shows that local protest and anger provided the spark for many early foundations. But chambers were rarely protest or party political entities; instead they tended to draw inspiration from political movements of the day, and then adapt and shape ideas into ‘respectable’ opinion, generally based, legitimized by cautious local deliberation. From the outset, most chamber members sought to work to ‘reform’ rather than to challenge the existing political system: chambers offered a rather special reinterpretation of the concept of ‘contention’.

Local context was critical. As shown in Chapter 5, the first chambers in America and Ireland were all in large ports; in Britain the great majority (70–80%) were in the ports. Mostly they had major hinterlands and were focused on international trade, especially the Atlantic economy. Some early British chambers, however, were in the ‘new’ inland manufacturing centres, such as Birmingham, Manchester, and Leeds, and it is these that have been the subject of most previous academic analysis.<sup>6</sup> However, this chapter challenges the ‘model’ that early chambers were a response by the ‘new manufacturers’ searching for voice.<sup>7</sup> It argues instead that chambers originated chiefly from an environment of protest against disruptions to international trade resulting from government actions, efforts to reform local government and other institutions, and industrial diversification into complex corporate organizations of proto-global trading companies that were challenging the customary social and political structures. This all offered the opportunity for, or even required, a new model for local business voice that was chiefly focused in the ports and was not mainly attributable to the ‘new manufacturers’. By the 1860s it was clear that ‘every town should have one’: for ‘place status’ and respectability.

<sup>6</sup> See chamber histories: respectively, Wright (1913); Redford (1934); Redford and Clapp (1956); Beresford (1951).

<sup>7</sup> Bowden (1919–20, 1965); Checkland (1952, 1958); Norris (1957); Money (1977); who have been largely followed by Rose (2000) and others.

### Structural tensions

Part 3 of the book examines three fields of tension: governance, status, and degree of centralization. The resources and governance structures of chambers became more complex over time, which introduced new challenges, assessed in Chapter 6: to align councils, members, and staff. Chapter 7 discusses how chambers sought to gain greater attention. In France, official local chambers of commerce in the major centres were formed in the 1700s, termed the *Conseils du Commerce*; abolished by the Revolution, they were reconstituted by Napoleon. Similar *public law systems* came to dominate much of mainland Europe from the 18th and 19th centuries: in Austria-Hungary, Germany, Greece, Italy, Luxembourg, and Spain. Public law status seemed to offer advantages over voluntary systems that stimulated a debate in Britain about chamber recognition, ‘locus standi’, and possible public law foundation. This overlapped with pressures for chambers to have formal legal adjudicatory powers, as court ‘tribunals of commerce’. The current position in Britain and Ireland is control of the *chamber title*.

Successful articulation of local voice requires it to reach the centre of government decision making. This needs some form of national mechanism. This can be ad hoc, through frequent local deputations, or through agents; but national associations became the favoured method. In-built into these associations are tensions about who acts as national advocate, the centre or the localities, and how diverse local opinions are managed. Balancing national voice with local diversity therefore became a major political and managerial challenge, investigated in Chapter 8.

### Activities

Since voice is the defining characteristic of chambers, considerable attention is given to it in Chapters 9 and 10. A systematic overview of lobbies and thematic case studies are used to illustrate how the process of deploying voice developed. Despite the reluctance of chambers to campaign through party politics, they nevertheless were at critical times to contribute changes to the frames and repertoires of discussion by party and government, particularly during ‘great events’. A critical aspect of voice is the deliberation process. Chapter 11 is devoted to how deliberation interrelated with providing milieus for discourse, social exchange, and economic understanding. Early chambers strongly overlapped with coffee houses, hotels, and other offerings, but evolved into distinctive milieus for forming views, with many maintaining their own coffee house facilities. In modern chambers changes in communication technologies and the age of the Internet have offered new opportunities for deliberation.

No chamber remained solely a body for voice; all also developed other services. Chapter 12 examines these services and how the bundle of different services interacted. Service support to firms naturally led to chambers becoming enmeshed in government’s agendas for various public service developments, assessed in Chapter 13. The earliest examples of this were local partnerships and initiatives directed at improvement of city infrastructure. After WW1 this extended to

national collaboration with government for delivering commercial information and foreign missions. Wider national partnerships developed from the 1960s, particularly concerning provision of work-based training and apprenticeships. In the 1980s this extended to business *leadership* of local economies and other initiatives. From these emerged, in the UK in the 1990s, an awkward relationship of many chambers, with the government-financed Training and Enterprise Councils, and since 2010 with Local Enterprise Partnerships. Similar trends in Ireland have seen extensive involvement of local chambers and the national association in economic development and employee training, with significant support from European programmes.

### The members

Business voice necessarily requires a level of ‘interest’. Chapter 14 examines how far this was, and is, based on local, individual, general, or sector demands; the role of religious and gender structures; how far it was affected by trends in corporate organization; what level of market penetration was and is achieved; and how far this is affected by the service activities provided and pricing decisions made (especially about subscriptions). Analysis of the role of ‘leadership’ and networking among businesses casts new light on the evolution of networks, which helps to better understand the modern context of ‘clusters’ that has become a key focus of policy debate. Chapter 15 reviews in detail the motives for membership; joining; remaining a member; lapsing; and the evolution of associational commitment (exit, voice, and loyalty). Chapter 16 places motives in the context of membership dynamics: the extent of stability or ‘churn’ through joining and lapsing; the influences of subscription structures and costs; and the role of chamber activities and the external ‘environment’ on membership dynamics.

### Then, now, and the future

The chambers are not just historical; they are also current and very active entities. The conclusion of the book looks at their present challenges and the likely unfolding of future developments in the light of their history. Grass-roots provision to meet needs remains a critical ingredient of the bundled offer; and tailored services will remain a critical part of this. But voice is the unique selling point (USP) of the chamber brand. The position of the chambers became confused by close interrelation with government from the 1980s. However, acting as a major contractor with government to provide services remains an important part of the portfolio of the local chamber system, and of the national body in both Britain and Ireland. Hence, there will continue to be an important challenge of balancing government involvement with the voluntarism and independence of voice. The conclusion of the book in Chapter 17 suggests means to balance and better manage the inevitable tensions in the light of the dynamics of the emerging economy of the 21st century.

## 1.3 A GUIDE TO READING THE BOOK

This book combines local and national archive sources, current chamber records, and a wide range of other information. The full sources of information on each chamber are listed in Appendix 1, which also records their dates of foundation, changing names, and geographical coverage. The book covers the period up to the start of 2011.

Some systematic statistical presentations are given throughout, where an attempt has been made to align historical materials with modern definitions. These are based on current benchmarking data for the chambers, with earlier sources and alignment of data discussed in Appendix 2. These data are developed for 16 cross-sections in time, every 10–20 years from 1790. To facilitate the research of others, and to provide a permanent resource to the chamber system, the actual data have been deposited at the UK Data Archive, with a guide given in Appendix 2. Many graphs show the distribution of chamber characteristics using the mean as the overall descriptor, but because of the variability of the system, the range (minimum and maximum) is also usually given, as well as 20% and 80% box plots. These show the values for the smallest 20% or largest 80% of the chambers; the box between these two points contains the majority (60%) of the individual chambers. It should be noted that the records of many of the smallest chambers of commerce and chambers of trade do not survive, so that those included in the database and discussion are biased towards the larger of the small chambers; whilst all chambers of commerce are covered, as far as records allow. Generally at least 90% coverage has been achieved. The periods of WW1 and WW2 are excluded from the data cross-sections as the aim is to focus on general patterns; but the war years are treated in more detail in separate discussion.

All references to ‘chamber’ or ‘chambers’ as a single word refer to chambers of commerce; other types of chamber and other bodies are referred to by their full name. Abbreviations and acronyms have been kept to a minimum, listed separately. Financial data are quoted in the contemporary currency: £ s. d. in Britain, Ireland, and early America (or dollars where relevant); £ and pence after decimalization in the UK in 1970; IR£ in Ireland after independence in 1923; and Euros in Ireland after 1 January 1999. For clarity, all quotations have been rendered into modern spelling, and capitalizations of words have been reduced to a minimum, but all original punctuation and vocabulary has been retained. The single form, Board of Trade (BoT), is used to cover the earlier Committee of Trade and later terminology. Newcastle refers to Newcastle-upon-Tyne, unless otherwise stated.

Sources of local archives are listed fully in Appendix 1. In the text, reference is generally made solely to the documentary source; e.g. minutes, report, etc.; but where there might be ambiguity, the source is fully noted in the text footnotes. All of the more individual sources, such as stray records of individual chambers, and sources from national archives and libraries are given fully. There is a separate bibliography of histories of local chambers and related bodies, which provide important sources. To save space these are usually cited in the footnotes as ‘specific chamber: history’.

The approach of this book is to use an inclusive definition of ‘chamber’ as those bodies with the five characteristics of: exerting voice, voluntary independent associations, expressing general interests, locally rooted, with deliberated transparent governance. There are, however, many problems with the use of the ‘chamber’ title. Each body using this title does not necessarily have the same characteristics and some may not be representative bodies at all: some may be no more than one-man operations, others may be government bodies. There is scope for misuse of title and fraud. Particular confusion arises after the emergence of chambers of trade in 1897. Also other bodies, not called chambers initially, grew into or merged with them, e.g. the Devonport Mercantile Association or the Norwich Marine Insurance Association. Some traditional bodies, such as the US Boston Society for Encouraging Trade and Commerce, and the Bristol, York, and Newcastle Merchant Adventurers, acted like chambers at some points. Other entities, particularly those formed by local government, have taken on the title of chamber to seek a broader legitimacy and improved brand; but they are not self-governing chambers. For example, the ‘Parliament and Commerce Committee of the Town Council of Darlington’ was a member of the Association of Chambers of Commerce in the 1913 period; yet it was essentially a local government body.<sup>8</sup> More recently, several local chambers have been formed by district and county councils, being used essentially as promotional bodies. These bodies are not strictly relevant to this study because they are not voluntary and independent, but their existence has been taken into account where relevant.

Checks on the group of bodies included in this book have been made by investigating local record offices and libraries, by inspecting chamber national association records, by contacting the modern chambers themselves and inspecting their archives, by checks on all other major library catalogues, and web searches. An important cross-check has also been made by investigating the archives of the main recipients of local voice: chiefly the Board of Trade, Foreign Office, Ministers, and Prime Ministers of the time. These checks have focused on the early foundations and have revealed activity and bodies that were not previously recognized to have existed or been active. Whilst it will never be possible to conclude that this has led to all bodies and their archival materials being discovered, it is believed that all major chambers that have any current or historically recognized local significance have been included. It is hoped that this book is as systematic, inclusive, and definitive as possible.

The national associations of local chambers and related bodies are also included. In the UK this was called the Association of Chambers of Commerce, or Associated Chambers of Commerce (ACC) over 1860–1919; then the Association of British Chambers of Commerce (ABCC) from 1919 until 1994; and after 1994 the British Chambers of Commerce (BCC). In Ireland an Association of Chambers of Commerce of the Irish Free State was formed in 1923, in modern times referred to as Chambers of Commerce of Ireland (CCI), and after 2005 as Chambers

<sup>8</sup> Wolfe (1915a), p. 15.

Ireland (CI). The contemporary names are used in the text for each period. In America a US federation of chambers was formed in 1912, termed the Chamber of Commerce of the USA.

Some chamber bodies are not included: (i) the British chambers of commerce abroad (15 in 1913, over 50 in 2010, including seven in China); (ii) foreign chambers based in the UK (12 in 1913, plus the Federation of Foreign Chambers of Commerce in the UK); (iii) international bodies such as the International Chamber of Commerce and Eurochambres; (iv) national ‘chambers’ in the UK, e.g. the chamber of shipping; and (v) the junior chambers of commerce. The first three are excluded from detailed analysis because the primary focus here is on national representation. However, some were members of the national association of chambers (ACC) until 1919, and the counts of membership of this body have been adjusted to remove them for comparative purposes (not always done in other analyses). National ‘chambers’ are excluded since they are de facto sector trade associations. However, one national chamber, the General Chamber of Manufacturers, which existed 1785–7, is included because it involved delegates from local chambers and has crucial historical significance. The junior chambers are not included systematically, but comment is made on them where they are significant (primarily as seedbeds for recruitment).