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‘Large-scale Victorian manufacturers: Reconstructing the lost 1881 UK employer census’

Employers’ 1881 manuscript census returns on workforce sizes are recovered (via the BBCE). Delinquent returns are backfilled using online searches in UK parliamentary papers, British Library Newspapers and other sources on large firms. There were 430 manufacturers with 1,000 or more employees accounting for around one-sixth of UK manufacturing output. Large firms were especially dominant in iron and steel, shipbuilding, textile machinery, railway engineering, linen and chemicals, while small firms retained a larger employment share in food drink and tobacco, apparel, building materials and paper and printing. Despite the usual categorisation of the cotton industry, it had 82 1,000+ employers, most integrating spinning with weaving and some also integrating finishing and merchanting. Large firms accounted for more than 40% of manufacturing employment in Wales and Northern England, and less than 10% in London and the Home Counties, with Scotland, Lancashire Yorkshire and the North & West Midlands in the 20-30% range, and Ireland at 14%.

Census returns did not provide data on capital, but that is available for most of these firms from other sources. The most capital-intensive large employers were chemicals (including chemical by-product producers such as gas utilities and oil and copper processors) and food drink and tobacco (mainly quasi-continuous process: breweries, distilleries, biscuits, preserves etc, with most of the FDT industry being smaller scale and less capital-intensive). Exploiting powered machinery, intangible capital (brands, patents, know-how), new technologies, scale economies and open global markets, these large firms’ exports in general exceeded domestic sales. “New” industries were larger and in 1871-81 growing faster than in the US and Germany, some using patented American and German technologies but larger than their overseas licensors, and several having German, American and other overseas subsidiaries (not counted in the employment totals); though, naturally, in all countries “old” steam-powered technologies dominated in 1881.

Most of these firms remained closely held partnerships, but a third of their 912,659 employees were in publicly-traded entities, considerably more (and in generally larger firms, with a history of merging) than the US or Germany. Historians have (correctly) emphasised the Victorian persistence of handicrafts, small enterprises, self-employment, skilled artisans, flexible production, external economies and family ownership. It is an error further to erase the UK’s precociously developed stock markets, professional managers, and “modern” scalable, powered production, which contemporary overseas observers - capitalist and socialist - considered its distinguishing features.