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052162990X - Forging Industrial Policy: The United States, Britain, and France in the Railway Age

Frank Dobbin

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Why do nations pursue such different industrial policy strategies today? The United States enforces market competition and eschews state leadership in virtually every industry. Meanwhile, French state technocrats orchestrate sectoral growth from above, and Britain bolsters firms against interference from both markets and state officials.

Political scientists generally explain industrial policy choices by interest-group preferences, but why then do groups in America always win market-oriented policies? Economists generally explain industrial policy choices by the functional needs of industry, but why then do French industries always need firm autonomy?

In *Forging Industrial Policy*, Frank Dobbin traces the evolution of nineteenth-century policies governing one of the first modernizing industries – the railroads. To organize their emergent industrial economies, nations employed principles found in political institutions. The United States used the principle of community self-determination to give municipalities responsibility for promoting railroads. France used the principle of central state supremacy to give government engineers responsibility for orchestrating rail development. Britain used the principle of individual sovereignty to guard railway entrepreneurs against interference from competitors and public officials. In consequence, nations' institutions for achieving industrial rationality and growth came to parallel their institutions for achieving political order. Today, the industrial policy strategies that emerged in the nineteenth century persist because they have shaped ideas about how industrial efficiency is achieved.

This book offers a fresh perspective on modernity that highlights the importance of meaning in rationalized institutions. It has wide-ranging implications for understanding the role of institutions and culture in all instrumental realms of life – from management to economics to science.

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For my parents

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