

## **Chapter 1. The regional foundations on which the world's first industrial nation was built**

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This paper analyses Britain's transition from a predominantly agricultural to an industrial economy through the lens of developments in occupational structure. Historical occupational data have the advantage of being available in large quantities and, thereby, enable the economic historian to study structural shifts in the economy at high temporal and – critical for the subject under study here – geographical resolution. As the name suggest, the Occupational structure of Britain 1379-1911 project is aimed at understanding developments in the composition of the labour force over a very long time period. The results from this project show that the 1800-2010 time frame adopted for other papers in the Economy of Long-Run Industrialisation program is ill-suited for addressing the program's central question 'how and why industrialization spread across regions and over time' in the case of Britain. In England and Wales, the manufacturing share of the labour force reached fifty per cent as early as 1700, whilst less than forty per cent of men and women were still working in agriculture by then. By comparison: in Belgium, such low levels of agricultural employment were first seen in the 1870s, in France in the 1890s, in Germany and the US in the early 1900s, and in Japan in the 1950s.

The foundations for this precociously manufacturing-dominated economy were laid in the sixteenth and seventeenth century, which witnessed a shift of twenty-five per cent in male labour share from agriculture to manufacturing. Remarkably, at the national level, the occupational picture changed much less dramatically over the eighteenth and early nineteenth century; if anything, the occupational share in manufacturing slightly decreased in the run-up to and the first phase of the British Industrial Revolution, up to c.1820. However, this is where a regional analysis of economic developments comes into its own. The new occupational estimates show that, below this calm surface, this was a period of great turbulence, which witnessed rapid concentration of economic activities in specific counties, in small regions within counties, in towns compared to the surrounding countryside – with all of these rapidly specialising regions held together by an ever growing transport sector. The role of small, highly specialist regions as incubators of technological innovation and novel forms of economic organisation is well-known in present-day economies. Since the new estimates show that strong regional specialisation clearly preceded the Industrial Revolution, it raises the intriguing question to which degree a uniquely decentralised yet well-integrated early-eighteenth-century economy was instrumental or even crucial in Britain's precocious transition to modern economic growth.

Nineteenth-century regional developments from the 1830s were less spectacular, with specialist industrial and agricultural regions now well established, but nevertheless interesting. Whereas canals and turnpikes had facilitated a process of regional specialisation in the preceding two-and-a-half centuries, a certain decentralisation of industrial production can be observed in the railway age, with formerly de-industrialising regions now (somewhat) re-industrialising. Whether this was primarily driven by regional wage differences or by the nationwide availability of cheap railway-transported coal is an as yet unanswered question. Although the share of the labour force working in manufacturing showed residual growth in the nineteenth century post 1830, the twentieth century in Britain was one of, at first, slow and, then, increasingly rapid de-industrialisation, with the former industrial heartlands hardest hit.