

Dr. Carlo Morelli
Economic Studies, University of Dundee.

c.j.morelli@dundee.ac.uk

Between Competition & Industrial Policies: Managing industrial transformation in the Dundee jute industry 1948-1999.

Abstract

This paper examines the decline of the jute industry from the Working Party Report in 1948 to the closure of the last remaining jute manufacturer in Dundee in 1999. The paper's focus is the interaction between competition policy, with its impact of hastening the competitive pressures on a staple industry such as jute, and the development of industrial policy, aimed at protecting employment in areas of high unemployment such as in the case of the city of Dundee.

The paper examines the complexity of this interaction through a study of the government business relationships and the development of strategies within the industry and the city of Dundee. Jute manufacturing was heavily concentrated in the city of Dundee and its demise, as a staple industry, had a significant impact on the city's employment patterns. The paper demonstrates that the government's introduction of competition policy was tempered by a recognition of the need for continued support for employment within the city. However, it also highlights the inability of the major jute manufacturers to retain support for their politically focused strategies within Dundee's population. Within an Olsonian framework the case study demonstrates how an all encompassing collective ideology, that had emerged in the immediate postwar era, collapsed into the special interest of a narrow section collective interest in the face of competition policy and the rise of alternative employment opportunities within the city.

The dynamic process that emerged over this period is also one in which the role of government in managing industrial transformation is of importance. The study concludes that government's role in industrial policy proved successful in maintaining employment levels throughout the 'Golden Age' and in contrast to the pre-Second World War era and that of the 1980s onwards.

Keywords:

Jute, Britain, Competition, Cartels, Government