

Voices from the Past

By Chris Mead

*O wad some Power the giftie gie us
To see oursels as ithers see us!*

— Robert Burns

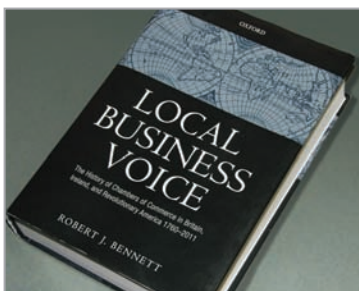
What are chambers really like and how did they get here? What would an impartial observer say about us? We in the chamber world don't know very much about ourselves. In nearly 250 years, no American or Canadian writer has produced a significant history of chambers here.

It's different in Great Britain, where at least three books have chronicled local chamber activity. The best of them, by far, has just come out. Cambridge University Professor of Geography Robert J. Bennett has written something worth waiting 2½ centuries for: *Local Business Voice: The History of Chambers of Commerce in Britain, Ireland, and Revolutionary America 1760-2011* (Oxford University Press, \$175; 921 pp.).

Bennett's book is a mirror, and a not-too-distant one, for our chambers in North America. It is extraordinarily thorough. The book includes many studies with data going back to 1790, and in some cases even earlier, so it's possible to see how such things as renewal rates, membership fees, market penetration percentages, and non-dues revenue have fluctuated over the centuries. Suddenly, our current worries can be put in better perspective. It's interesting to hear a 21st century style complaint, from the Liverpool Chamber in 1918, about branch offices of national companies based elsewhere that can't see a reason to be active with the Liverpool Chamber.

We tend to forget that chambers in North America emerged from the same primordial soup that gave rise to British chambers. Around the middle of the 18th century, voluntary associations were active in England, including the Royal Society (of which Ben Franklin was a member), the Society for the Encouragement of Arts, Manufactures and Commerce, and even a group called Ye Ugly Face Society. It's no surprise that in such a volunteer-friendly environment, the chambers that arose in Britain and the colonies were not compulsory (unlike in France and elsewhere on the Continent, where businesses were mandated to pay dues to their local chamber).

From loose merchant groups and other associations, it wasn't a big step to formally organized, voluntary chambers of commerce in the English-speaking world. Bennett shows how writers such as Malachy Postlethwayt and Thomas Mortimer drew attention to French chambers and encouraged Anglo-Saxon merchants to form similar groups themselves. Moreover, the vastly unpopular Stamp



Act in 1765 spurred many businesses in both the British Isles and America to unite in protest. These complaints mushroomed and gave rise to several organized, voluntary chambers, including what would become one of the greatest of them all, the New York Chamber, founded in 1768.

It was the angry cries of protest against blundering governments that characterized so many of these early chambers and their descendants, according to Bennett. This “voice” was, and would

be, voluntary chambers' unique selling proposition. And it was a special kind of protest, focused more on reform than on revolution, because most merchants didn't want to turn society upside down.

For British chambers of commerce, the greatest triumph of voice was through their attack on the protectionist Corn Laws, which raised food prices in Britain and benefited the landholding aristocracy while hurting the merchants and manufacturers and their employees. Many chambers participated in the struggle, but after 1837 it was the Manchester Chamber of Commerce that led the way. The “Manchester school,” as British Prime Minister Benjamin Disraeli would call it, brought not only Britain, but a good part of the world, much closer to the free trading ideals propounded by economists such as Adam Smith and David Ricardo and by the editors of a new magazine, *The Economist*, which was started as part of this liberating reform movement.

The Corn Laws were repealed in 1846. The victory was not only for free trade, but for the growing new class of merchants and manufacturers who made up the chambers. There was something gratifying for them in defeating the landed gentry. In the future, the earls, dukes, and lords would not so often view the merchants and manufacturers, as James Watt once complained, as “poor mechanics and slaves to be looked down on with contempt.”

The prestige of the Corn Law victory, Bennett notes, fostered the further spread of chambers, which were growing more professional. Five British chambers had full-time staffs by 1850; by 1900 there was an average of one full-time staffer on each of the 50+ main chambers. London's chamber, established in 1881, had 83 employees by 1920.

During World War I and afterward, British chambers came under an increasingly tight embrace by government—primarily the national government. The process accelerated, paradoxically, in the Thatcher years. Much of the new work involved assistance to small businesses. Wading through the acronyms of these chamber-government programs and bureaus, without a doubt, is hard on a North American reader.

But, as Bennett points out, the alphabet soup wasn't easy for British chambers, either. Government influence peaked in 2001, when 76 percent of the budgets of the leading chambers were provided by the British government. The subsequent cutbacks were devastating; today government money accounts for "only" 52 percent of the leading chambers' budgets. That continuing flow of funds from the national government to U.K. chambers is one of the biggest differences between U.S. and British chambers.

Bennett notes twice, with delicious irony, that the much-ballyhooed government programs haven't lasted as long as their scrappy, revenue-challenged, struggling chamber cousins. Chambers don't all have the fancy offices and big budgets of tax-funded programs, but they do represent lasting ideas and ideals: the importance of the local community, the value of business, and the need for a degree of economic freedom.

Have British members cared about their chambers over the years? It appears that mostly they have. Bennett's figures show average membership renewal rates of around 94 percent until the 1980s, when they fell to about 89 percent. They plunged to 80 percent in the 1990s, and to just 76 percent from 2006 to 2010.

These recent trends are disturbing, but not entirely without remedy. Non-dues revenue for British chambers, in the form of government funding, skyrocketed after 1980; this more than made up for membership losses. Bennett suspects that government support has undermined the perceived benefits of membership and has given small businesses the sense that they can be nonmember "free riders" and still get help from the chamber. In part for this reason, he recommends that chambers ease off their still-heavy

dependence on government and get back to the old-time religion of protest, advocacy and motivating influence. This, however, is something of a faith-based argument, as Bennett's own studies show that advocacy is not a very powerful motive for joining a chamber, and only somewhat more effective for retention.

Meetings are another important part of chamber life. These reached record levels of activity for major British chambers by 2010. This growth no doubt bolstered their revenues, although Bennett has found that the number of meetings is negatively correlated with membership renewals. People may just want services (including networking) delivered efficiently in a minimum of time.

There is much more in the book that is of material interest and —yes—relevance to North American chambers of commerce. True, it may be a triply hard read for some: dealing with another country, with other decades, and with the rigorous scholarship standards one would expect from a professor of one of the world's great universities. Yet treasure chests are rarely found above ground. For those willing to dig, this book is full of sparkling insights.

One thing we don't see in full illumination is what these chambers did. The book focuses more on what they were and how they acted and were funded, with occasional examples such as the Stamp Act protests, the Corn Laws, and responses to the nationwide general strike of 1926. We don't find many examples of the kind that the sometimes more flamboyant American chambers provide in full measure: agitating for the Golden Gate Bridge, funding Lindbergh's airplane, going after Al Capone, fighting "free silver" and sparking the move for the Federal Reserve Bank, grabbing colleges

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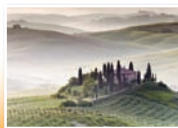
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and medical schools from one another, and starting what became the Miss America Pageant, just to mention a few.

This brings up an important difference between British and North American chambers: U.S. and Canadian chambers historically have been much more focused on what Bennett calls “place based” marketing and advocacy. Some call it boosterism. With millions of square miles to develop and populate, the New World chambers have fought hard to grab residents, businesses, and tourists. The chambers in some cities—Los Angeles perhaps most prominently—gave chamber voice a whole new meaning. These chambers knew how to promote their communities and they weren’t shy about it, in the process creating exhibits, fairs, parades, and other events and spectacles that had an impact on the culture of their regions and their nation.

But it’s hardly a surprise that British and North American chambers are different. What’s fascinating is how much they have in common. Canadian and U.S. chambers, too, are struggling with membership renewal rates that could be better, the fickle affections of many of their members, and the increasing pace of business and electronic communications.

And for most serious people, the chamber voice issue just won’t go away. Who are we, what do we represent, and how do we say it? Advocacy may not pay all of chambers’ bills in the short term, but it is almost all we have in the long term. Bennett is right to go back to the protests against the Stamp Act and see them as a template for the identity of chambers in the future. If business doesn’t have

a voice, it doesn’t have a future. Chambers are logical channels for that voice.

And so where do we go from here? As Bennett suggests, we need to distill the best of the past and take it forward. For this, we can’t forget the people responsible for getting us here—the volunteers and professionals who have been the voice of chambers in the past.

The Scottish poet Robert Burns, once again, can help us. He was a good friend of William Creech, the secretary of the Edinburgh Chamber of Commerce. When Creech died, Burns wrote something in remembrance of this man, who happened to be Burns’s publisher. The poem includes this stanza:

The brethren o’ the Commerce-Chaumer
 May mourn their loss wi’ doofu’ clamour,
 He was a dictionar and grammar
 Amang them a’
 I fear they’ll now mak mony a stammer,
 Willie’s awa.

Willie’s awa, but we’re still here. We may “stammer” as we try to find the chamber (“chaumer”) voice of future decades, but once we find it, let’s belt it out, in whatever accent works for us. ☐☐



Chris Mead is ACCE’s senior vice president of member and sponsor relations. Although it’s not in his job description, he’s researching and writing a history of U.S. chambers, a labor of love that began three years ago. Publication is expected in 2014.

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