

# Real ale buffs -- Britain's role models for economic recovery

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Britain's beer drinkers can serve as role models for the nation as it struggles to emerge from recession, according to an academic study.

The country's real ale fans represent the perfect example of how greater consumer awareness can revitalise a struggling industry, say economists.

Equally, the ever-growing number of microbreweries satisfying their demanding palates offers hope for the UK's small businesses.

Experts at the prestigious Nottingham University Business School came up with the findings after examining the history of brewing in England. They believe the industry's rebirth in the wake of the Campaign for Real Ale's founding in 1971 has implications for much of the UK economy.

Professor Peter Swann, the study's author, said: "The fact is that the business world can learn an enormous amount from our beer buffs. The range of products and the number of centres of production in brewing in England declined dramatically between 1900 and 1970.

"As is widely accepted, that process began to reverse with the formation of CAMRA and its fight against bland, mass-produced beers. This has led us to the position we're in now, with hundreds of small breweries spread all over the country and making thousands of different beers. In technical terms, this represents horizontal product differentiation and a reduction in the importance of the economies of scale.

"That's basically a clever way of saying variety is the spice of life and that more discerning tastes can be good for the [economy](#)."

At the start of the 20th century even many villages had breweries, but their number and geographical spread went on to shrink alarmingly. Falling transport costs and technological advances gave big brewers a huge advantage over their rivals, forcing the latter out of business.

By 1970 the number of breweries in England was just 141 — compared to 1,324 in 1900 — with most located in a few cities and towns.

The trend for bland, big-name products became so dominant that Ind Coope advertised its Long Life brand with the slogan "It never varies!"

But CAMRA's arrival and the group's campaign for variety and quality raised consumer awareness and gradually ushered in a new era. The result was the ongoing boom in microbreweries, which specialise in small production runs that make no economic sense for big breweries.

By 2004 the number of breweries in England stood at 480 — approximately the same as in 1939 — many of them again in small communities. If the trend continues the situation here could one day rival that in beer-mad Bavaria, where almost every village has at least one brewery.

Professor Swann, a Professor of Industrial Economics, said: "We're often told small businesses will be key to the UK's financial recovery.

"The fall and rise of the local brew offers us a perfect example of 'small is beautiful', so it's vital to see what lessons we can learn from it. One of the most important is that a demand for the predictable can lead to the greater geographical concentration of an industry.

"By contrast, a demand for diversity can lead to greater geographic dispersion — which is the excellent position brewing finds itself in now. CAMRA and the microbreweries should serve as an economic inspiration — and I say that as a man who doesn't even like beer."

Provided by University of Nottingham

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