

For a genealogy of paternalism

Pierre Messulam,

assistant managing director of Transilien-SNCF

Original article in French published in *Gérer & Comprendre*,
March, 2019, pp. 64-65.

Response to A. Villéger's article, "From paternalism to 'patronhumanism'".

Amélie Villéger's article, "From paternalism to 'patronhumanism'", asks us to take a fresh look at an increasingly present current of thought. It traces the origins of "patronhumanism" back to paternalism, its accomplishments and successes. Perspectives are thus opened on the "new world", to borrow the phrase of the President of France elected in 2017. Without trying to reshape with hammer blows the vision of a sometimes idolized past, it is, in my opinion, worthwhile adopting a genealogical view that looks beyond good and evil in order to move away from preconceived ideas.⁽¹⁾

The article recalls the historical setting at the origin of paternalism. What I find significant is that the new industrialists borrowed the model of the 18th-century's enlightened agrarian aristocracy by advancing the same political claim to social utility.⁽²⁾ In both cases, the legitimacy of economic domination was grounded on a concern for the well-being, at first, of peasants and craftsmen, and then of the latter's children or cousins, namely workers — and now of wage-earners. For sure, a Christian (and not just Catholic) ethos was involved, a point that the author has tended to overlook. After all, the HSP (Haute Société Protestante) represented by the families Peugeot, Hottinguer and Dollfuss played a full part in this current of thought. At stake was a clear vision of a stable social order, since the fight against poverty had to be undertaken not just for reasons of Christian charity but also owing to its dangerous political consequences (a point of view also adopted by Tocqueville).

The same concern about social organization and the same focus on wage labor underlaid, it should be pointed out, the utopias of Saint-Simonianism and Fourierism, which proposed political and social alternatives. In the mid-19th century, employers, or part of them (like socialists but with fundamentally different intentions), wanted to recreate a more harmonious organization (for the purpose of order in the case of employers but of equality and emancipation from poverty in the case of socialists) that would create the

conditions for the realization of individuals and the re-organization of society in the new world of industrialization with workers now concentrated in towns (and no longer rural villages). Regulatory institutions had to be set up to succeed the feudal parish system. Paternalism thus arose as a means for locally regulating the social tensions resulting from the shock of industrialization and the metamorphosis of towns of craftsmen and merchants into concentrations of workers. No more than fifty years passed between the ideal city imagined by Ledoux at Arc-et-Senant and the "coron" housing developments with their company stories.

The sudden development of big industry in Great Britain, Germany and France was shattering the Fourierist utopia at a time when this employer paternalism was achieving its first successes in managing labor. This utopian strand of thought was replaced with a much more radical critique. Marxists insisted on the alienation caused by wage labor, some of them going so far as to see in company services for labor a response to the moral bankruptcy of capitalism and the concern for the redemption of bosses tormented by their conscience.

Villéger has borrowed an admirable quotation from G. Lyon-Caen (2004, p. 56): the right to a job was forced to address a dialectics expressing "simultaneously the system for exploiting people and the means for limiting its severity and fighting against it". This makes it clear how, in this state of tension, paternalism sought to strike a balance between humanistic intentions (even before the law imposed obligations) and economic constraints. This tension was described without wishful thinking in Engels' well-known *The Condition of the Working Class in England* (1887), which set employer paternalism in matters of housing in a very different light. Engels showed how housing for wage-earners (often in better conditions than in rural areas at that time) was also a good business for employers. The latter thus reinforced their domination through not only the wage-earning relationship but also their control over housing — a benefit that could be lost in case of dismissal (cf. Zola's *Germinal*).

⁽¹⁾ This article, including quotations from French sources, has been translated from French by Noal Mellott (Omaha Beach, France).

⁽²⁾ Cf. Stendhal (1825) *D'un nouveau complot contre les industriels*.

But why, we must ask, has paternalism in France been discredited for so long? A detour through the history of labor relations in Germany tells the story. At a very early date, the German state imposed by law many of the arrangements that were left up to the willingness of employers in France. Institutionalized and made compulsory by acts of law that, under Bismarck, were passed to counter socialist agitation, these social welfare institutions deeply altered labor relations in Germany. Thus was systematically undertaken what, in France, would be left to the good will of bosses, and would thus depend on the personal views adopted by humanist employers.

In her account of labor relations during the 19th and 20th centuries, Villéger, unfortunately, devotes one sentence to the French state during a period, 1940-1944, when political power-holders wanted to impose new employer/worker relations by promoting a paternalistic, Catholic approach. This lack of attention is unfortunate because this period signals the origin of the lasting taboo and ideological discredit surrounding paternalism in France since 1945. At the time, the labor movement was being revived through an ideology of resistance both against a totalitarian regime (which ignored citizens and saw them merely as a community of producers where there were neither unions nor collective actions) and against the alienation caused by work, an alienation that was spreading beyond industry into the service sector. The paternalistic approach has, for a long time, been ideologically discredited because power-holders who betrayed the ideals of the French Republic and the rights of citizens had tried to put it to use on a large scale. Is the upsurge of this current of thought among employers who claim to be humanists an accident at a time when the labor movement is in the throes of an unprecedented crisis in France?

Oddly enough, this article's genealogy of certain social, humanist achievements enables us to grasp the principal motivations of Christian employers, who wanted to instill loyalty in labor, in particular skilled labor. The commentators who, during the debate in the spring of 2018, forgot that the well-known "status" of railway workers (with its health, retirement and other benefits) were instituted for this very same reason before the war in 1914. At the time, the rail system's private management had motivations more economic than moral. To be convinced of this, you need but read the magnificent sociological studies on the major industries in France by Pierre Hamp, one of the founders of the Office of Labor Inspection.

What characterizes the current context is the heavy impact of globalized trade. This brings to minds the upsurge in trade between 1880 and 1910, when the doctrine of employer paternalism was expanding. Pierre-Noël Giraud's analyses of the labor market have shed light on the cleavage between the jobs exposed to global competition and those that, basically related to local sources of production and consumption, cannot be "outsourced". Might we not be able to argue that paternalism corresponded to a bygone era of local markets protected from globalization? that the emergence of neopaternalism can be analyzed differently depending on whether an industry is exposed or not to globalization? The state is being asked to "save" the jobs menaced by international competition — to save them by lowering employers' contributions to health or retirement funds or by intervening in housing or transportation — while employers are concentrating on the amenities that help them retain skilled workers, who can easily change their place of work (We need but think of the brain drain from southern Europe). This might be related to the "patronhumanist" approach, while local jobs are locked inside a low-pay sector where economic activities depend on the value created by the sectors open to international trade. For these local jobs, patronhumanism would be a new form of territorial solidarity, an acknowledgment of the state's retreat so as to concentrate its resources on defense and the development of the sectors the most exposed to globalization.

To end this brief historical analysis, I would like to draw attention to the absence of the labor movement in the discussion of "patronhumanism" — as if only the direct, personal relation between employer and employee, each taken separately, counts in this approach to management.

To conclude, we have entered a new world in the throes of an economic shock comparable to the sudden transformation wrought by the first two industrial revolutions. Social and economic equilibria have been massively overturned, and this has had strong repercussions on corporate management. In this setting, we observe not the eternal return of paternalism but instead a quest for new means of management, evidence both that the previous means are no longer adapted and that state institutions are unable to respond rapidly and effectively to these disequilibria. There is definitely an ideological crisis, the precursor for laying a new foundation for social regulation.

On paternalism: A brief critique of a too doctrinal and culturalistic approach

Hervé Dumez,
i3-CRG, École polytechnique, CNRS, IP Paris

Original article in French published in *Gérer & Comprendre*,
March, 2019, pp. 66-67.

Response to A. Villéger's article, "From paternalism to 'patronhumanism'".

Amélie Villéger's article "From paternalism to 'patronhumanism'" examines the history of labor relations in France from the angle of paternalism. According to it, the values (mainly coming from Catholicism) of French employers explain this history. This thesis draws, in a way, on Weber: "*Writing about the 'spirit of capitalism', Weber (1905) pointed to the need to associate ethical justifications with economic activities.*" Weber does talk about a "*spirit of capitalism*", relating it to the values of Protestantism; but the core of his analysis (of writings by Benjamin Franklin) is not, in fact, "*the need to associate ethical justifications with economic activities*".⁽¹⁾

Despite its interesting contents, this article can, in my opinion, be criticized for what it does not contain. This is a matter neither of a lack of space (as is always the case for published articles) nor of the choice of a particular perspective (a choice that is the academic's prerogative and duty). The problem is epistemological, namely, the risk of circularity (DUMEZ 2013). According to Popper, who clearly identified this, almost any theory can be said to fit some facts. Or, in Thomas Jefferson's (1829) words: "*The moment a person forms a theory, his imagination sees, in every object, only the traits which favor that theory.*" If the intention is to demonstrate that paternalism is a trend to be interpreted as the attempt to improve the condition of workers due to Catholic values, research will turn up documents for backing this argument. And this has been done: the author has found discourses and accounts that tend in that direction. What is problematic are the many other facts that have been omitted, facts from economic history and the history of doctrines, which a comparative perspective, even a minimal one, should have reported.

⁽¹⁾ This article, including quotations from French sources, has been translated from French by Noal Mellott (Omaha Beach, France).

As for doctrines, this focus on Catholicism has overlooked the importance of Protestant business circles in France's industrial development during the 19th century and their part in changing mentalities (about child labor, for instance). The author has also overlooked Saint-Simonianism and its key role in the history of French society and industry. Is it possible to talk about the paternalism of business circles in France without mentioning either Protestantism (The reference to Weber should have suggested this orientation) or Saint-Simonianism?

As for economic history, the article does not start from the development of industry. It is necessary to recall Joshua Freeman's work (2018). In the 18th century, mills were built along waterways or near deposits of raw materials. They were not usually near labor basins. Means of transport were barely existed, and workers could not spend twelve hours a day at the mill while dwelling so far away. Mills were thus forced to provide housing. Initially, the workers were children and women, or peasants who were not used to regular work and very easily quit. So, the "bosses" had to organize living conditions: housing, curfews, and leisure activities to fight against alcoholism and gambling. This occurred in England, France, Germany and the United States, in Catholic as well as Protestant lands. Values were a minor factor. The emergence of mills and factories in all countries required that the employer organize the living conditions for his workforce. In fact, exactly the same pattern can be observed in the former Soviet bloc, where factories managed housing, schools and leisure activities. Likewise, in contemporary China, giant factories have spawned cities that provide housing accommodations, centers for leisure activities and hospitals, and exercise a moral control over workers' lives. Chinese dormitories for workers do not have WiFi installed so that workers have a good night's sleep and be in shape to work in the morning. This is a far cry from social Catholicism.

Without being a certified Marxist, I do not think that paternalism can be analyzed without paying attention to the concrete, material conditions of production. If contemporary firms open daycare centers, this has nothing to do with paternalism (despite any proclamation of values of that sort). It is an effort to solve concrete problems that impinge on the organization of work. To understand this, we should move beyond discourses and values, and focus on the concrete conditions of economic production. This provides a transition toward my third point.

A comparative approach is, in my opinion, indispensable for this analysis. Throughout the 19th century, personnel turnover was the major problem in all factories. Skilled workers changed their place of work to acquire new skills (a phenomenon clearly described by Zola); and unskilled workers left to see their family, because they fell out with the foreman or wanted to take time off despite the boss's refusal. In 1913, when Ford introduced a revolution in production with assembly lines, the turnover rate in the factory making the Model T rose to 370%. To fill 14,000 work stations, 52,000 hires per year had to be made! So, Ford shortened worktime (to eight hours per day six days a week) and doubled wages. Measures of this sort can be interpreted as the cost of paternalism, which is what the author has done while discussing the situation in France. However the intent of such measures was to bring under control the much high cost of labor turnover. To benefit from working conditions at Ford, workers had to be married, productive on the job, and known to be sober. A "sociological department" was set up to train the personnel for verifying whether these criteria were met and to select workers accordingly. In Gramsci's words, "*the American industrialist is preoccupied with maintaining the continuity of the worker's physical efficiency, of his muscular and nervous efficiency. It is in his interest to have stable manpower, always in shape, because the firm's whole workforce (the collective worker) is a machine that must not too often be taken apart or have its parts replaced lest enormous costs ensue*" (Cahier 5, "Américanisme and fordisme", 1934, quoted in DUMEZ 2018). Despite Ford's well-known religious convictions, the major problem he faced, a problem exacerbated by

the assembly line, was the same as the problem faced by all heads of industrial firms during the 19th and 20th centuries. Even in Soviet factories in Russia, the peasant workforce had to be disciplined and retained after having been transplanted into a world that was new to them and hard to live. The solutions adopted to solve this problem resemble those that Villéger has described in the specific cultural context of France as paternalism, namely: housing, training, libraries, leisure activities, company stores with low-cost wares.

A clarification: this critique does not at all intend to state that values and discourses are of no importance when analyzing managerial phenomena, nor to affirm that social Catholicism played no role in France. Instead, my argument is that these discourses must be situated in relation to the concrete situations with which management had to deal, that they have to be analyzed as "language games" in the sense of Wittgenstein. In other words, what is to be analyzed is not the discourses as such but the way in which actions are "woven" into language (Wittgenstein 2004, §7); and the perspective to adopt should definitely be comparative. From a methodological viewpoint, the intent is to spare ourselves the risk of circularity, lest our theoretical perspective be skewed and the explanation given of a phenomenon (in this article, paternalism) come to be unraveled.

References

- DUMEZ H. (2013) "Qu'est-ce que la recherche qualitative? Problèmes épistémologiques, méthodologiques et de théorisation", *Gérer et Comprendre*, 112, pp. 29-42.
- DUMEZ H (2018) "Le gigantisme industriel. À propos de *Behemoth* de Joshua Freeman", *Le libellio d'Aegis*, 14(2), pp. 19-37.
- FREEMAN J.B. (2018) *Behemoth: A History of the Factory and the Making of the Modern World* (New York: Norton).
- JEFFERSON T. (1829) *Memoir, correspondence, and miscellanies from the papers of T. Jefferson* (Charlottesville, VA: F. Carr & Company).
- WITTGENSTEIN L. (2004) *Recherches Philosophiques* (Paris: Gallimard), French translation by F. Dastur, M. Élie, J.L. Gautero, D. Janicaud & É. Rigal of *Philosophische Untersuchungen*, which was published after the author's death in 1951. First English translation by G.M. Anscombe in 1953/1958: *Philosophical investigations* (Oxford: Basil Blackwell).