

# From paternalism to “patronhumanism”

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Whether in the popular press or academic literature, paternalism is often presented like a pernicious, backward form of governance. On the basis of two antagonisms that underlie it, a less manichean approach is proposed. In the original form of paternalism, traditionalism turned out to be at the service of progressivism. Afterwards, torn between the need to organize the employee's relationship of subordination and the fair recognition of the rights and freedoms of everyone, paternalism evolved toward a new equilibrium, a neopaternalism that, described as “patronhumanism”, was strongly influenced by humanist values.

In 2017, an article in *Le Monde* stated that an employer offering pastry to his employees was an act that signaled his determination to manipulate them, treat them like children and cunningly purchase “social peace”.<sup>(1)</sup> According to the journalist,<sup>(2)</sup> the intent was to “restore a paternalistic dynamics” (word-dropping — like name-dropping) in the bigger picture of the class struggle and an unresolved Oedipus complex among employees, too naive to deal with this deceitful trick. Reading this “tract” in this prestigious newspaper brought several questions to mind. How can employers be so glibly suspected of such vile intentions? Do employees alone have a heart? Is vindictiveness all French entrepreneurs can expect?

The word “paternalism” appeared for the first time in the title of an article in the *Chicago Times* on 11 June 1881. The French dictionary *Larousse* has defined it as “a conception whereby the relations between employers and workers ought to be governed by the rules of family life, characterized by reciprocal feelings, authority and respect”. But a second acceptance has been added, namely: a “*comportment consisting of maintaining a relation of dependency or subordination while tinting it with an affective value like family relations*”. The contrast between these two definitions sheds light on the antagonism underlying the concept. Whereas the first meaning has neutral or even positive connotations (reciprocal feelings, respect), the second has a much more negative lexical field. It presents an unbalanced relationship (dependency, subordination) tainted with deceit, since the manipulation of feelings and family values seems to be a bait and a justification of this

inequality. When drafting this definition, the dictionary's editors were apparently faced with the paradox of paternalism: a philosophy initially based on devout feelings but that has come to be accused of all ills.

Some pundits have, in fact, not hesitated to liken paternalism to a form of domination by a social class (NEWBY *et al.* 1978), a “*neo-feudalism*” (KOLBOOM 1984), a justification of unequal labor relations (ROBERTS 1978), an employer's strategy for making wage-earners dependent (MORRIS & SMYTH 1989), a “*moral police*” (MILL 1859 §152), an obstruction to individual freedom (OGIEN 2007), a “*bourgeois neotraditionalism*” (KOLBOOM 1984) and even as something disguised in the foul garb of masculinity (KERFOOT & KNIGHTS 1993).

Despite these precedents, could we not imagine a less manichean approach to this phenomenon? A few authors have cleared the way by reminding us that paternalism originally enjoyed strong support from workers (PERROT 1979) and came from “*sincere generosity*” (HATZFELD 1971), a coming together “*in the same feeling of affection*” (MELUCCI 1974) and “*a philanthropical willingness to fight against the extreme poverty that affected workers and their families*” (DOS SANTOS 2014). For Gueslin (1992), it sprung from “*good intentions on the employer's part*”, “*a strong, deeply rooted, personal motivation*” and “*the idea of a mission to be filled*”; and it “*would be erroneous [...] to completely deny this*”. Some studies have even seen paternalism as the major factor related to a high level of satisfaction at work (UHL-BIEN *et al.* 1990) and as a competitive advantage for family-run companies (ALLOUCHE & AMANN 1998, VILLÉGER 2016). Fleming (2005, p. 486) has gone so far as to evoke the heretical idea that paternalism might have several positive aspects and merit a less dualistic theorization. However few studies in the managerial sciences have yet followed in this track. This article seeks to make up for this.

<sup>(1)</sup> This article, including any quotations from French sources, has been translated from French by Noal Mellott (Omaha Beach, France). The translation into English has, with the editor's approval, completed a few bibliographical references. All websites were consulted in August 2020.

<sup>(2)</sup> SANTOLARIA N. (2017) “Management: la technique de la chouquette”, *Le Monde*, 25 January.

The dualistic view of paternalism apparently stems from the antagonisms underlying it. With regard to this phenomenon, traditionalism turns out to have borne a modernity at the service of progress. This “*very politically incorrect*” idea is, however, scientifically validated according to Le Goff (2012), who has stated with satisfaction that the work of historians of the law has made the “*unilateral and activist*” approach to the formation of labor law yield to a “*more settled, calm vision that seeks to emphasize the complexity of the process [...] and the plurality of the parties involved*”. In like vein, Kolboom (1984) has thought that it would be false to attach to paternalism “*the widespread image of a petrified Malthusian conservatism*”; on the contrary, it should be “*seen as a factor both of traditionalism and, too, of social and economic progress*”. Paternalism should not, he added, be considered to be the “*residue of a pre-industrial past*” but rather the “*expression of a new type of social relations [...] with the function of correcting [...] the disequilibrium caused by industrialization*”. So, my first effort will be to describe, beyond its traditionalist aspects, the original paternalism that, out of a spirit of progress, sought to improve the condition of the working classes and was an operational response to the observation of a widening social gap.

A second antagonism is related to the complexity of the wage-earner’s relation to work. The right to a job necessarily reflects a dialectics expressing “*simultaneously the system for exploiting people and the means for limiting its severity and fighting against it*” (LYON-CAEN 2004, p. 56). By accepting the employee’s subordination to his employer, this right recognized a concrete inequality in society; but in parallel, it could not (and did not want to) leave hold of the abstract idea of equality advocated by the French Civil Code. For instance, paternalism and labor law both sought, each in its domain, to respond to an apparent contradiction: how to see to the freedom and equality of everyone in a relation based on subordination? As Radé (2012) has shown, labor law has partly solved this dilemma by gradually moving from the idea of a deprivation of freedom (age limits, regulated working hours, etc.), which restricted the individual’s capacity for self-determination, to the idea of expanding rights (the right to health, to rest, etc.), a work of humanism. The second part of this article examines the effect of reversing this paradigm in the case of paternalism and focuses on a neopaternalism’s humanism, which we might call *patronhumanisme*.

## Paternalism’s values and intents at the origin: A multidimensional progressivism

In his principles of political economy, Gide (1931) argued: “*We must be fair with employers [and recognize] that most of the reforms introduced through labor legislation or from labor union demands were, at first, undertaken at employers’ instigation.*” At the origin, paternalism was related to a political, religious and social form of progressivism.

## Paternalism and religious progressivism

Starting in the late 18th century, social and political disturbances were rife in France. Eleven constitutional systems succeeded each other from 1793 to 1875. The Napoleonic wars and civil warfare had major demographic effects. Most medical, social and educational installations were faltering. Deadly epidemics were common. The rural exodus made people even more vulnerable. The government did not seem to be stable, reliable or credible enough to ensure social progress.

Voices arose among Christian intellectuals to protest the destitution of workers and peasants. In 1822, Abbot Lowenbruck founded the Société de Saint Joseph, the first charity for workers. In the wake of this trend, authors like Fodéré (1825), Gérando (1826) and De Villeneuve-Bargemont (1834) tried to make public opinion aware of the curse of poverty, but few listened to their voices. Catholic relief associations did not attract much of a following (DUROSELLE 1951).<sup>(3)</sup>

The year 1871 marked a turning point with the foundation of the Oeuvre des Cercles Catholiques d’Ouvriers at the instigation of Albert de Mun, René de La Tour du Pin and Léon Harmel. These three men then helped set up the Fribourg Union (or Catholic Union of Social and Economic Studies, 1884), which based its work on passages drawn from the Pope Leon XIII’s “Rights and duties of capital and labor” (Rerum novarum, 1891). This encyclical laid the grounds of social Catholicism, a reformist branch of the Church that sought to reconcile power and virtue. It condemned the “misery and poverty that unfairly weighs down most of the working class”, criticized the excesses of capitalism and declared that employers should respect workers’ “human dignity”. It was thus forbidden to assign workers tasks beyond their strength or not in line with their age or sex. Work was to be paid a “fair wage” since “to defraud anyone of wages that are his due is a great crime which cries to the avenging anger of Heaven”. Finally, the encyclical urged workers to protect their interests by forming unions.

While de Mun and de La Tour du Pin were policymakers, Harmel would try to turn theory into practice in the firm he headed. His workers benefitted from a savings fund as of 1840, interest-free loans in 1842, a mutual aid society in 1846, schools in 1860, factory councils in 1883 (in which elected workers could take part in steering the company), a “union house”, housing, a theater, a library, etc. Paternalism was born. In his will, Harmel’s father wrote to his son, “Love our workers, they were my children. Assume my paternity, and continue to bear them toward God and to be right by them.” Applying his father’s precepts, Harmel was in 1895 at the origin of the presentation of a report under the title “The legitimate demands of workers in relation to the Church’s orientations in Rerum Novarum”.<sup>(4)</sup>

<sup>(3)</sup> The “*sociétés catholiques de secours mutuels*” developed by Armand de Melin and the “*patronat social catholique*” at the initiative of Auguste Cochin.

<sup>(4)</sup> Report presented by Henri Savatier at the Congress of the Tertiaires de Saint François in Limoges (WAQUET 2012).

Following Léon Harmel, paternalistic employers adopted the Church's social doctrine. They felt vested with a moral mission, which they assumed with goodwill and conviction, namely: improve the social welfare of the underprivileged classes. As De Bry (2008) has reminded us, the paternalists who headed companies represented, at the time, the left wing of employers; and other employers and public opinion saw them as being progressives. For example, Jean-Baptiste Godin (1871), whose work at the Familistère was said to be the "zenith of social progress in companies" (MINCHELLA 2017), was the archetype of this ideological pluralism. He referred to Catholicism, socialism, Taylorism and paternalism without seeing any contradiction therein.<sup>(5)</sup> Indeed, these philosophies do not operate at the same level: the first is a religious philosophy; the second, a political philosophy; the third refers to a way of organizing production; and paternalism, to a form of corporate governance.

Later, Vichy France would exploit aspects of this paternalistic tradition, an action that, unfortunately, strongly distorted its image. As Spina (2017) has pointed out however, paternalistic employers played a major role alongside the French Resistance. He cited the example of the Peugeot family, who was deeply involved in the Resistance to German occupation. The family evacuated persons who refused a stint in the Compulsory Work Service (STO: Service du Travail Obligatoire) to its farms and had crops sowed on its golf course to feed those who had to go underground (the Maquis). Spina also mentioned the Michelin family who opposed Vichy and refused agreements with German firms. Marcel Michelin, the founder's son, died in deportation. Jean-Luc Michelin stood out as a leader of one of the few intelligence networks formed within the Reich. The company urged workers to leave the factory for the Maquis, while continuing to pay their wages and help their families. Furthermore, fewer than 5% of the workers at Michelin's plants left for the STO, one of the lowest rates in big firms in France.

### Paternalism and social progressivism

In 1864, Le Play described the socioeconomic situation in France as follows: "We see people grouping around new manufacturing machines who are separated from their families, whom their new employers do not know, who lack decent housing, schools and churches, who are deprived of the physical and moral conditions that used to be deemed indispensable for the existence of a civilized people."

Full of conviction, paternalistic employers took the place of the failing government and decided to take charge of the task of building decent housing for accommodating workers and reuniting them with their families. Beyond bringing families together and

<sup>(5)</sup> Godin often mentioned Frederick Taylor's work (REY 1982), which, at the time, was considered to be progressive even, among workers, owing to its scientific quality and the ideal of justice, since it tied wages to results.

providing the comfort of decent accommodations, these actions allowed for the social mobility of workers who, till then, could not even imagine home ownership. In some mining towns for example, the employer owned the houses, but workers were housed for free. Running water and electricity, scarce at the time, were also supplied for free. Shopping could be done at the company store at prices much lower than in outside businesses. Contrary to what is sometimes implied, this paternalistic system let workers choose whether or not to benefit from company housing. In addition, they received an allowance if they chose accommodations other than those provided by the company.

The construction of these housing developments occurred at a time of rising concern about hygiene and safety. During the debate in parliament on the bill of law about work-related accidents in 1898, paternalistic employers fervently argued for the recognition of occupational hazards (EWALD 1986). They set up medical services in factories, cloakrooms with showers, "preventoriums" and employer funds for worker healthcare. At the end of a worker's career, a "departure allowance" was paid — long before an official retirement system was set up. Retirement homes were opened for workers; and survivors' benefits, paid to widows. After having housed their employees, Cognacq-Jay, the spouses who directed a big department store (La Samaritaine) in Paris, opened a retirement home and maternity for their employees. These paternalistic employers conducted actions for family and child protection services. They tried to improve the poor sanitary conditions experienced by pregnant women and fought against the high infant mortality rate (coverage of medical fees, medical consultations for infants, etc.). They helped lighten the family's burden by paying wages during maternity leaves, funding nurseries, providing family allocations, reducing the rent paid by couples with children, and so forth. Before the Ferry acts, at a time when work was permitted as of the age of ten, these employers were conditioning social benefits to the enrollment of children in schools, thus promoting education and helping to emancipate a whole generation. They opened nurseries and schools for free that, unlike ordinary schools, offered conditions compatible with the parents' working hours. The Michelin schools enrolled more than 6000 pupils.

Paternalistic charities were formed earlier than the work councils (or company committees), which, after their creation in 1945, would assume many of the activities sponsored by these charities and organize cultural, educational and leisure activities for free. Children could attend the company's summer camps; and families, spend time in the company's vacation centers. Outdoor centers were set up for the personnel's children when they were not in school. This paternalistic philosophy even motivated some leaders, like Paul Ricard (head of the family firm with the same name), to offer their employees a fifth week of vacation with pay several years before this became a matter of law in 1981.

Besides worker welfare, paternalism sought to emancipate workers (DE BRY 2008). Its tenets were

“very far from treating workers like children” (DOS SANTOS 2014). It sought to “lead unawares workers to the point of doing without support” (VERON 1966). In psychoanalysis, the father is the figure who destroys the fusional bond between mother and child, and enables his offspring to grow up and assume themselves as egos (FREUD 1900). In sociology too, the father has traditionally had a socializing function. In addition to his part in separating child and mother, he has a function of authority and openness toward the world (HÉRITIER 1996).

Consistent with this idea of emancipation, paternalistic policies favoring ownership did not just concern home-owning but also reached into the economic realm. Paternalists were the first to open the capital of their companies and set up wage-earner shareholding plans (HIRIGOYEN & COURET 1990). Before any law on this, they created profit-sharing schemes to establish a relation between employees and the company's success as at Leclair, a Parisian paint company, in 1842, at the Loire Mining Company in 1848, at Michelin in 1898 and, by 1901, at more than 120 paternalistic firms (JORDA 2009). The savings funds set up by employers also advanced emancipation and social mobility.

Paternalism's achievements amounted to a major cost for these companies, even though this has seldom been pointed out. The houses paid by the employer were, for example, resold to employees without any profit and with a long-term, low-interest loan. This process, which required and immobilized an enormous capital, was not very profitable for employers (HOMMEL 2006). At Creusot, paternalistic actions amounted to 5-10% of payroll costs (BEAUD 1990); and at the Longwy steelworks, 13% of payroll costs and 46-68% of dividends (MOINE 1989). The average cost of paternalistic services in 1927 has been estimated at 10% of payroll (DAVIET 1997). The stereotype of the heartless boss motivated only by greed for more money seems very far from being true.

A final point: the promotion of a meritocracy struck a responsive chord among workers, since it opened unexpected possibilities for occupational and social mobility. As precursors of the contemporary concept of collective intelligence (LÉVY 1994), paternalistic employers recognized and valued their employees' accumulation of skills and qualifications. Godin (1871) insisted on taking workers' advice into account, claiming that, thanks to their everyday experience in workshops, they were best placed to make proposals that would be on the mark about the mill's operations. He urged them to form worker councils and become involved in the firm by assuming responsibilities and taking initiatives (DOS SANTOS 2014). François Michelin adopted as his own the creed of paying close attention to what workers have to say (MICHELIN et al. 1998). He urged employees to imagine potential innovations, whether organizational or technical. The Radial tire, the company's flagship product, was invented thanks to a new process discovered by a worker, Marius Mignol.

## Paternalism's value and intents in the 21st century: Freedom, solidarity, responsibility

What about paternalism in the 21st century? According to several authors, paternalism is not an outdated managerial technique (FLEMING 2005) and can be made relevant for contemporary systems of management (GREENE *et al.* 2001, KERFOOT & KNIGHTS 1993, KNIGHTS & McCABE 2001, THALER & SUNSTEIN 2003, WRAY 1996). Writing on the “*new paternalism*” in 1997, Mead described the modern variant of this philosophy based on humanistic values of solidarity and responsibility. Today, many facets of our paternalistic legacy are considered to be progressive and humanist instead of being seen as an infringement on individual freedom. The benefits provided by company committees (or work councils) are not interpreted as evidence of the employer's determination to insidiously meddle in wage-earners' private lives. The argument no longer works about a contemptuous boss who poses as the benefactor of ignorant wage-earners and facilitates their access to cultural and leisure activities. The doctor in occupational medicine is no longer seen as evidence of management's determination to meddle in the lives of employees and control them.

The strategies for promoting employee loyalty are now appreciated, considered to be favorable to wage-earners, whereas critics of paternalism saw them as a manipulation for restricting the employee's free will.<sup>(6)</sup> In broader terms, penal law, which paternalism has shaped (FEINBERG 1986), is seldom considered to be moralizing and fatal to our freedoms. The pejorative connotations associated with paternalism keep employers from laying claim to this tradition. The tension surrounding this topic might, we imagine, be as semantic as conceptual. At first sight, the word “paternalism” seems inappropriate since wage-earners are, obviously, not children. As a consequence, redeeming this tradition means proposing a new word. Analyses of contemporary paternalism lead me to propose “patronhumanism”, which can be defined as a form of corporate governance influenced by humanist values, such as freedom, solidarity and responsibility.

### A liberal “patronhumanism”

The idea of total subordination to the pater familias was gradually eroded during the 20th century. The society of the 19th century granted the father figure power in politics, institutions and the family. This power is now mainly relational, defined in relation not to society but to the wife (who becomes a mother) and

<sup>(6)</sup> At Google for instance: swimming pools, massages, yoga courses, game rooms, meals available 24 hours a day, childcare services, services for pets, legal services for employees' private affairs, doctors and dentists on call, conferences on art or literature, weekly parties... offered for free — all this reminds us of paternalistic practices even though no reference is made to them. Presented as part of a policy for promoting employee loyalty, this range of services has played well in the media and regularly places Google in the forefront of the firms where it would be nice to work.

children (CASTELIN-MEUNIER 2001). Just like the new father has to earn his legitimacy in the family, the new employer has to earn his entrepreneurial legitimacy. In both cases, the key words are conciliation, the rejection of authoritarianism and the end of the dominant/dominated relationship.

This “new generation” of paternalism fits in with this new relation to authority. During the 20th century, leadership gradually became participatory (BARNARD 1938, BLAKE & MOUTON 1964, MCGREGOR 1960) or democratic (WHITE & LIPPITT 1960). By 1967, Likert was describing paternalism as a style of leadership that places human concerns at the center of managerial preoccupations by giving priority to relational issues over economic interests. He evoked a participatory management, that, in contrast with the authoritarian style, was based on proximity and the strong confidence that parties have in each other (including in big firms).<sup>(7)</sup> For Le Goff (2012), paternalistic employers were soon aware of the “dead end of harsh, repressive policies in the firm”. They intelligently “took workers not to be an obstacle to be forcibly overcome, through costly strife, but as a potential to be freed”. As Jorda (2009) has shown, many aspects of the paternalism of the industrial era already corresponded to the modern style of participatory management given the importance of: confidence, respect for the work relationship, social benefits, shared values and a corporate culture, employee loyalty, etc.

However it is Thaler and Sunstein (2003) who have named the new form of management that characterizes contemporary firms: a liberal or “libertarian paternalism”, which they define as a “relatively moderate, flexible, noninvasive version of paternalism, which does not prohibit or restrict anyone’s options. A philosophical approach to governance, public or private, which aims at helping individuals make decisions that improve their lives without harming the freedom of others.”<sup>(8)</sup> This style of leadership stems from the idea that the indirect suggestions made to individuals can influence their decisions as much as, or even more effectively than, orders or legal obligations. The paternalistic liberal manager no longer issues strict guidelines. He does not impose, he suggests. He manages with “nudges”, from the verb (to nudge) which literally means pushing people with the finger or elbow to lead them to do something. In other words, he tries to influence individuals so that they make the choices that

<sup>(7)</sup> For example, Gérard Mulliez, who founded Auchan Group, has always refused to yield to the siren call of the CAC 40. His argument is that, once a company is listed, management’s primary preoccupation becomes, day in, day out, the price of the firm in the stock market, this instead of a concern for employees, customers and the environment. According to this paternalist, corporate executives have to be interested in people, in and around the firm, before showing an interest in financial results.

<sup>(8)</sup> Sunstein’s work strongly interested President Obama, who appointed him to the White House Office of Information and Regulatory Affairs, the keystone of federal regulatory institutions.

he has imagined and deemed good for them and for the firm, while leaving them the possibility of making other choices.<sup>(9)</sup>

### “Patronhumanism” and solidarity

Another characteristic of this neopaternalism is a “solidarity” that is no longer necessarily dictated by the Church. An ethics with a universal, consensual foundation greater than religion had to be proposed, especially in Europe which is more secular than the United States (ACQUIER et al. 2005). This new foundation is humanism; and the grounds of solidarity is the moral obligation not of charity, which weighed on believers, but of humanity, which weighs on each human being.

In legal circles, evidence of this new approach is the current of thought focused on solidarity. To the “acting pity” of religion, Bourgeois (1896) preferred solidarity, a “fraternal bond that obliges all human beings toward each other”. “This ideal of society” has no other choice than to take shape in the field of the law “at the risk, otherwise, of being compared to Christian charity” (AMIÉL 2009, p. 153). Some supporters of this approach have argued for a “contractual solidarism”, considering, like Mazeaud (2012), that it is “useful and fair [that] the values of ethics and solidarity” figure in the law on contracts, the intent being to establish a contractual equilibrium and a “new way of thinking about contracts, as a union of balanced interests, an instrument of loyal cooperation, a work of mutual confidence” (RÉMY 2004). “The contract is less and less perceived as a clash between freely consenting parties, as a compromise between antagonistic, bitterly defended interests. It turns out more and more to be a necessary point of equilibrium, even the basis of a desirable collaboration between the contracting parties” (MESTRE 1986).

We can see this neopaternalistic patronhumanism as the managerial application of solidarity in the field of law. Separated from religion, patronhumanists see the firm as a community whose members maintain balanced relations of solidarism and pursue a common goal. According to Gallenga and Soldani (2015), modern paternalism lets wage-earners rally for a goal and joint interests; and Jorda (2009) talks about cooperation for realizing work in common.

### A responsible, humanist neopaternalism

By the start of the 20th century, the academics working on management theory were insisting on the entrepreneur’s responsibility. Writing about the “spirit of capitalism”, Weber (1905) pointed to the need to associate ethical justifications with economic activi-

<sup>(9)</sup> For example, to make Americans increase their savings, Thaler and Sunstein (2003) proposed the nudge of automatically opening savings accounts for employees. Each wage-earner is free to put, or not, money on the account. As studies have shown however, the savings rate of wage-earners rises from 20% to 90% when accounts have been automatically opened for them.

ties. In the United States, Bowen's (1953) *Social Responsibilities of the Businessman* argued for solidarity in firms and respect toward workers. In 1954, Drucker's *The Practice of Management* stated that social and entrepreneurial issues cannot be separated from each other. In 1971, the current of Corporate Social Responsibility was born in Harvard Business School: firms were trying to integrate social questions in their management. The concept of limited rationality developed by Simon (1983) fits into this trend since it set less store on employees' economic motivations than on social and cultural factors.

At the start of the 21st century, the concept of corporate social responsibility (CSR) was institutionalized, in particular through the European Commission's "Green paper" (2001), which states: "Being socially responsible means not only fulfilling legal expectations, but also going beyond compliance and investing 'more' in human capital, the environment and relations with stakeholders." Firms are urged to become ethical and have civic concerns. Justice, exemplariness, confidence and respect are to be the guiding values of their actions. As a counterpart to being a depository of financial resources, a firm has to assume a function of moral and ethical regulation.

Attention should be drawn to a few similarities with paternalistic precepts.

For De Bry (2008), the ethical preoccupations of firms do not date from the 21st century but reach back to the era of paternalism: "Paternalism is an avant-garde ethics." The word alone has changed, since the "ethics of this end of century is the paternalism that began in the 1850s". As of 1975, the Centre des Jeunes Dirigeants proclaimed that "firms must be social to be economic" and claimed that the concept of a "citizen firm" initially came from employers. Several studies have struck out in this direction. For Le Goff (2012), paternalism recognizes the "employer's responsibility toward workers and their families, a responsibility expanded to all of their existence and, step by step, to all of the surrounding society".

Paternalists were already practicing a form of social management. Loison (2009) has studied the Pechiney Group, a "history of corporate social responsibility from paternalism to sustainable development". This paternalistic firm was among the first to practice CSR like the contemporary firms that try to see to the welfare of their employees. According to big industrialists like Carnegie (1889), entrepreneurs had duties toward the society and do not actually own their wealth: they are but the administrators of it. Their duty is to use it in a worthy, decent way for the common good. During a speech in Gladstone in 1887, Carnegie declared, "I should consider it a disgrace to die a rich man."<sup>(10)</sup>

In their "anthropology of entrepreneurial ethics", Gallenga and Soldani (2015, p. 94) asked whether corporate social responsibility (CSR) is to be seen as a form of neopaternalism: "Just like paternalism delivered

discretionary advantages, firms, due to CSR, provide specific advantages, such as contingency or mutual funds, fringe benefits... [CSR] also plays on the idea of sharing values, emphasizes worker fidelity and loyalty, argues for respect and confidence in relations [...]. It is also a voluntary approach, a form of self-regulation for the firm [...] tinted with morals." Also seeing corporate social responsibility as a new form of paternalism, Boutillier and Fournier (2009) have reminded us that this sort of responsibility continually extends the reach of management's interventions into employees' private lives: the modulation of worktime to take account of the family situation, health prevention work (e.g., incentives to stop smoking), the promotion of car pools, etc. Finally, Hommel (2006) has drawn attention to the "affiliations and continuities" between paternalism and corporate social responsibility. Both are a form of collective action that refers to pragmatism, individual ethics and the conciliation of private interests for the sake of the general interest. As during the era of paternalism, voices (e.g., STIGLER 1971) have railed against private interests coopting issues that should be public.

Both paternalism and corporate social responsibility have a long-term vision with concern for the coming generations (KOIRANEN 2003). Paternalists, often family entrepreneurs, tended to see themselves as "relays passing the baton". Given their priority to keep the firm afloat down through the generations, they supported the idea of "patient capital" — a modern concept closely associated with CSR. In both cases, human considerations override financial ones, whereas "anti-paternalists" mainly emphasize the economic and contractual nature of the relation to a firm (UHL-BIEN et al. 1990).

As Torrès and Jaouen (2008) have shown, the heads of small, paternalistic firms have a local management based on empathy with their employees instead of normative rationality. Their wage-earners are not anonymous to them; they are human beings, persons nearby with whom the entrepreneur has daily company, whose families he knows. In cases when feelings override business, this personal involvement might hasten the firm's decline.<sup>(11)</sup> In an analogy with the Civil Code's references to a benevolent fatherly figure (the "bon père de famille") who is prudent, diligent, attentive and eager to manage wisely the goods and interests entrusted to him, the paternalistic entrepreneur and the patronhumanist are fatherly figures in their firms. They feel responsible for employees, like parents toward their children, not because they consider them to be inferior but because they know that their fortunes are interrelated.

Long before legal obligations were enacted, the governance of paternalistic leaders naturally took account of corporate social responsibility. More than half of the

<sup>(10)</sup> Andrew Carnegie (1887) *Statement to Gladstone*.

<sup>(11)</sup> The Observatoire de la Santé des Dirigeants de PME at Montpellier University studies the mental workload and stress of employers. Lechat and Torres (2016) have complained about the lack of scientific studies on the psychosocial risks of the self-employed and the absence of an occupational medicine devoted to this category of persons, in particular to the heads of firms.

entrepreneurs in small businesses do not recognize the initialism “CSR”; but, as a study of their managerial practices has shown (POLGE 2008), the large majority of them are following through with CSR principles without knowing it.

As in Walrasian theory, the entrepreneur and his company are fusional. This holds for both paternalists and neopaternalists, whence a heightened feeling of “natural” responsibility for employees. Such employers are, for instance, more reluctant than others to fire wage-earners (PINÇON & PINÇON-CHARLOT 2006). This philosophy sets them at odds with the gung-ho advocates of flexibility and places them in the midst of socially responsible entrepreneurs.

## Conclusion

Like paternalists during the 19th century, patronhumanists of the 21st century have moved beyond the obligations imposed by the law. They see the “*worker as a person who cannot be reduced to the force of his labor alone*” (LE GOFF 2012). They try to improve the quality of life at the workplace; and are keenly aware of social and societal issues. However, their engagement is based on solidarity more than charity, on freedom more than authority. All this is conducive to a more equal relationship with employees who deserve to reap the benefits of social progress as human beings instead of dependent subordinates. Nowadays, in a context where the recent executive orders issued by the president of France favor collective bargaining between a management that makes proposals and wage-earners who accept them, the values of the party making proposals are still decisive. They assign to patronhumanists, as to paternalists in the previous era, a decisive role in the dynamics of social progress.

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