THE ROLE OF SOCIAL REFORMERS IN THE
ADOPTION OF NEW MANAGEMENT PRACTICES:
THE CASE OF
BUDGETARY CONTROL IN FRANCE, 1930 - 1959

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Abstract:
Historically, the development of budgetary control in French businesses took place within the ideological context of the debate on organisation of the economy following the economic and political crises of the 1930s and 1940s. Budgetary control, a management practice theorised as early as the 1920s in America, was seen by many actors as one of the practices that could provide a solution to the economic and social problems facing them. In other words, its increasingly widespread adoption was not only due to the search for ever-greater efficiency, but also to a clear ideological attraction. Better business management was not the only goal: more broadly, there was a desire to change society as a whole.
This article is part of the research tradition of studying accounting in its social context. The history of accounting is examined in the light of the general political and economic history of the 20th century, associating accounting practices and the capitalist institutions of a given period and country. We stress an as yet largely unexplored aspect: the role played by the critique of capitalism and the social reformers' proposals in changing business management methods.

Key words: Budgetary control, Capitalism, History, Adoption of Management Innovations, Social reformers

Of all the factors which influence the widespread adoption of innovations (Rogers, 1995), particularly in business management, this article concentrates on those related to the historical context and the political, ideological, economic and social issues faced by company managers. Management tools are undeniably caught up in the autonomisation dynamics of technology (Ellul, 1990; Simondon, 1958), with their history developing through the accumulation of "progress", the search for ever-increasing efficiency and effectiveness. But equally clearly, simple identification of the benefits and advantages generated by a tool is not sufficient to understand how it becomes generally adopted. The sociology of science and technology has already described in detail the mechanisms by which actors are enrolled and the dynamics of the social networks that influence an innovation's success or failure, which is partly independent of its technical performance (Callon, 1989; Latour, 1989; Latour, Lemmonier, 1994). Just as for technical objects or scientific discoveries, the spread of management tools must also be understood in relation to the social context in which it takes place. The importance of putting accounting into its social perspective has been acknowledged for many years, thanks to the research stream launched almost a quarter of a century ago by A.G. Hopwood (1978, 1983), whose aim was to study accounting practices in both their organisational and social contexts. This article concentrates on the broader social context of budgetary control, taking a relatively macro-sociological starting point, since our
analyses are at a national level. Organisational or sectorial aspects, for example, are not important for this study.

The context studied in this article comprises all the ideological output of social reformers at a given period. By "social reformers" we mean actors in society who, upon encountering economic or social phenomena they deem regrettable, or maybe even highly dangerous, simultaneously produce a critique of society, a diagnosis of the risks it is running, and proposals for reforms, regardless of whether these reforms are considered realistic or utopian. The reformers who become influential and whose opinions are listened to are rarely sole crusaders; generally they belong to a particular school of thought, attend meetings of clubs or societies, organise conferences and courses to popularise their ideas, and have followers and propagators. In fact, behind the few voices that make themselves heard there is often a web of social networks involving a multitude of actors, or in the words of Burchell et al. (1985), "arenas".

Quite often, the proposals put forward by these reformers or the networks which promote and express their ideas include suggestions in terms of business management, particularly accounting practices. To take the example of one famous reformer, P.J. Proudhon had recommendations to make regarding the accounting methods to be used in his utopian society (Sotto, 1983). This article sets out to understand to what extent a critique of society can be a source of inspiration and be subsequently adopted by the very same people whose actions were subjected to criticism, or more broadly how far the dynamics of capitalism are nourished by the critique of capitalism (Boltanski, Chiapello, 1999).

The management tool studied here is "budgetary control". This presupposes the existence of a "budget", i.e. a set of forecast figures expressed in accounting language, covering the whole of the company's activity. These forecasts may be global or broken down into components, with varying degrees of detail as regards the organisation's activities, and varying amounts of complementary non-financial information. For budgetary control to be possible, the company must also produce reports comparing the forecasts with what actually happened. The intended users of these reports and whether they are a basis for evaluation of the performance of an entity or its managers, etc., are not important factors for the purposes of this article. The reason for going into no further detail of the characteristics of budgetary control implementation is because its history is also the history of the debates over the "right way" to use it, which are themselves indissociable from the various functions attributed to the tool (Berland, 1999b; Burchell et al., 1980). From the writings over several decades by promoters of budgetary control, it is clear that the contours of the tool shift (Berland, 1999a), and this article pays attention to the link between this shift and the more global change in the dominant ideas on business matters.

For France, three historic phases can be separated in the development of budgetary control. The first more or less covers the decade of the 1930s, starting with the International Budgetary Control Conference held in Geneva by the Institut International d'Organisation.

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1 An arena is "a complex of issues, institutions, bodies of knowledge, practice and actions" (Burchell et al., 1985, p.390). They used the concept for studying "the rise of the social interest in value added in the United Kingdom in the 1970s".
Scientifique du Travail (IIOST\(^2\)) in 1930. The conference's view of budgetary control was tinged with the rationalist thinking of the Taylorian engineers promoting it, with the accent above all on planning and technical difficulties. The tool was basically seen as a tool for increasing rationalisation of the enterprise's operations, and more generally for controlling a national economy that had been hard hit by the crisis. The second phase takes us to the end of the 1950s. In this phase, budgetary control was developing in an environment of postwar reform and the construction of the Fordian compromise (Aglietta, 1976; Boyer, Mistral, 1978). Although it has not lost its rationalist nature, budgetary control was now being attributed other missions, such as humanising the economy, contributing to growth and social progress by facilitating fair distribution of value added, and encouraging decentralisation of information within enterprises and professionalisation of executives. The third phase covers all of the 1960s, and sees the arrival in force of discussions on motivation in the workplace. The emphasis is now on use of the budget as a target to be achieved, and budgetary control as a means of motivation and performance evaluation. The research by McClelland (1961) and Vroom (1964) is crucial in the evolution of prevailing concepts of budgetary control.

This article covers the first two phases only. Most of the documents referred to for the second phase date from the 1950s, a much more homogeneous period in terms of history and ideology, when the uncertainties of wartime had disappeared and the postwar ideological battles had led to a new way of understanding and governing the economy (Kuisel, 1981).

For the two decades concerned, this article concentrates on the ideas that surrounded declarations made about budgetary control, putting it into perspective in relation to economic and social problems at a national level, or considering it in relation to moral imperatives for the transformation of society. These discussions provide an insight into the ideological environment of the promoters of budgetary control in the different periods concerned.

This article sets out to show that these discussions are themselves related to reform currents, and that a two-way takeover of ideas is going on: takeover by the social reformers of the "budgetary control" tool attracting the attention of business managers, in order to promote their way of organizing the economy and living in society – budgetary control as a Trojan horse for social reform; and takeover by the promoters of budgetary control of the social reformers' ideas and the bright future they want to build, in order to bring in the tool they recommend, which finds itself being attributed virtues not only of efficiency but also of moral values – social reformism as an aid in constructing the legitimacy and ideological desirability of the budgetary control tool. This dynamic model of changing management practices is directly inspired by the model for social change presented in The New Spirit of Capitalism (Boltanski, Chiapello, 1999).

The first section of this article is devoted to a presentation of our model, situated in relation to other studies, particularly neo-institutionalist theories, and a presentation of our working method. The second section will show how discussions of budgetary control were involved in the debate on social issues in the 1930s and 1950s, and how the concept of budgetary control

\(^2\) A direct translation would be "International Institute for Scientific Management", but the English name for the organisation was the International Management Institute (IMI). At the time of the conference, the director was Lyndall Urwick.
changed between the two periods, in keeping with changes in this debate. The third section then further explores the productiveness of the theoretical framework put forward in *The New Spirit of Capitalism* (Boltanski, Chiapello, 1999), in order to understand the evolution of business organisations between 1929 and 1960, as seen through the situation of budgetary control. While the second section compares, for each period, the ideas put forward by the reformers and the budgetary control promoters, showing the links synchronically – in effect, describing change by juxtaposing the images of different periods – the third section aims to describe the actual dynamics of the change in the representations.

1 The social reformers' critiques as a factor influencing management practices

Research in the neo-institutional school of organisational study has emphasised the existence of factors other than economic factors in explaining the practices adopted by companies.

1.1. The neo-institutional approach

Neo-institutional theories, in their sociological version, see organisations as systems that operate within social structures made up of widely accepted norms, values and assumptions. These social structures contribute to the definition of what is considered acceptable behaviour. Therefore, behaviours are not exclusively the result of economic rationality. Other mechanisms, including for example institutional pressures, also guide the actors' behaviour.

«Institutions consist of cognitive, normative, and regulative structures and activities that provide stability and meaning to social behaviour. Institutions are transported by various carriers - cultures, structures and routines - and they operate at multiple levels of jurisdiction».

Organisations adopt management structures and practices that are, among other considerations, considered legitimate by other organisations. It is rather as if the environment moulded them in its own image (Carruthers, 1995). According to Meyer and Rowan (1977), many components of formal business structure (namely an enterprise's management procedures) are rational myths. These myths are legitimacy-driven responses to the demands of the environment. Management procedures are not always used for their intrinsic efficiency-improving qualities, but because they are symbols of good management, and as such confer legitimacy on a set of actions.

For Di Maggio and Powell (1983), the similarities between practices in different organisations is due to the existence of isomorphisms. Institutional isomorphisms are the processes by which organisations tend to adopt the same practices and structures in response to common institutional pressures. The basic motivations for adopting a management practice may thus arise from economic rationality, but also from "social and institutional" rationality. This means a practice cannot be analysed without identification of all the social motivations underlying its adoption. There are three types of institutional isomorphism: normative, mimetic and coercive.
Neo-institutional theories are mostly used to understand the durability and homogeneity of the phenomena under examination (Dacin et al., 2002). However, they do not always describe an unchanging world, although that is a criticism often levelled at them. They have also been used to explain the basic motivations for change and adoption of management practices. They are useful for example in understanding why organisations adopt similar business structures and management practices. Using this approach, Carpenter and Feroz (2001) explain American government bodies’ adoption of US GAAP by their desire to attain legitimacy. DiMaggio (1991) has applied the same analysis to museums. The dominant institutions evolve and change over time (Dacin et al., 2002). They become weaker, finally disappearing to be replaced by others. Oliver (1991) identifies three reasons for the evolution or disappearance of institutions: a) functional pressures related to falling performance or the perceived usefulness of management practices, b) political pressures resulting from changes in the distribution of power between the enterprise's various coalitions, c) social pressures arising from changes in shared beliefs, legislation or social expectations, in other words the loss or alteration of the common point(s) of reference.

This study concerns a time of considerable change for the existing institutions, following the crises of legitimacy suffered by their predecessors, which were discredited in the period covered by this article as much because of their economic failure itself as for the social, then political and moral disasters caused by that failure. This crisis brought new teams into power, but also led to a serious overhaul of shared beliefs, involving all the factors referred to by Oliver (1991). The adoption and operation of budgetary control by businesses happened in this context of deep-rooted change in society's institutions, and can be seen as accompanying these changes and expressing them at the level of managerial practices. This leads to a form of transitional institutional isomorphism, where the institutions change at the same time as corporate practices.

However, the neo-institutional framework is insufficient to fully understand the change examined here. The change-inducing catastrophes cannot be totally explained by the way the institutions were operating before the event. Although Marxist theory, highlighting the crises self-generated by the capitalist system because of its internal contradictions, and the more recent regulationist theory concerning the exhaustion of regimes based on economic growth (Boyer, 1988, 2000) are surely partly relevant in understanding the economic crisis of the 1930s, analysis of the institutions prior to the crisis does not at all fully account for the causes of the chain of events that was to follow. In particular, while the rise of the fascist movement in the 1930s and 1940s was a possibility inherent to the political situation of the 1920s, it was by no means inevitable. The singularity and fundamental irreducibility of historical events should not be overridden by an over-deterministic institutional framework. Periods of major historical change do not fit well into this type of framework, even though they may have an essential role to play in understanding the spread of new management practices. For example, A. Loft (1985) discusses the existence of such a situation for cost accounting, whose development in the UK between 1914 and 1925 partly resulted from the political and economical situation generated by the first world war.
Institutional analysis is also incapable of integrating the origins of the changes that are set in motion, then become general. Where do the ideas, new beliefs and new institutions that will attract the actors come from? On this point, the analytical framework presented in The New Spirit of Capitalism (Boltanski, Chiapello, 1999) has a valuable contribution to make, and complements the institutional approach.

1.2. The model of change in The New Spirit of Capitalism

The theoretical framework used as a basis here was initially developed to propose an interpretation of changes in business management methods and the accompanying ideologies over a period later subsequent to that concerned by this article. The aim was to understand the shift in France from the post-May 1968 years, with their loudly asserted criticism of capitalism, to the 1980s, when criticism fell silent and the organisational forms on which capitalism's operation depended underwent profound change, and up to the hesitant search for new critical bases in the second half of the 1990s. However, the model goes beyond the merely descriptive; its authors also intended to propose a more general theoretical model through this historical example.

One major characteristic of the model of change developed in this way is the role it attributes to the critique of capitalism in the change in corporate practices and the related ideologies. This critique is produced by social reformers and the social networks they belong to. Their output is of course theoretical, aiming to diagnose problems, draw attention to situations considered negative, propose modifications, etc, but also practical, with the implementation of various campaigns belonging to what Tilly (1986) calls the "repertories of collective action" (propaganda, training courses, demonstrations, strikes, boycotts, etc).

Criticism of capitalism is as old as capitalism itself. Two types of criticism that have developed since the 19th century have been examined by Boltanski and Chiapello (1999). The first is what the authors call the “social critique”. Here the emphasis is on inequalities, misery, exploitation, and the selfishness of a world that stimulates individualism rather than solidarity. Its main vector has been the labour movement. The second form of criticism, the “artistic critique”, first emerged in small artistic and intellectual circles, and stresses other characteristics of capitalism. In a capitalist world, it criticises oppression (market domination, factory discipline), the massification of society, standardisation and pervasive commodification. It vindicates an ideal of liberation and/or individual autonomy, singularity and authenticity (Chiapello, 1998).

In general, the forms in which capital accumulation exists at a given time greatly depend on the type and virulence of the criticism levelled at it. Some of the transformations undergone by capitalism since May 1968 can thus be analysed as a clever integration of the "artistic critique" and its demands for autonomy, creativity, more authentic interpersonal relationships, etc. Similarly, the book suggests that the transformations in progress over the period covered by this article result partly from the integration and adaptation of a certain number of proposals originally formulated in the "social critique".

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3 The “spirit of capitalism” is defined as the ideology that justifies people's commitment to capitalism, and renders this commitment attractive.
Criticism plays several roles in the change process. First, it produces ungovernability, a situation which naturally encourages changes of method, particularly for business managers, in order to regain the capacity to govern. It also produces ideas, with the essential part of the reforming vision probably concentrating on the problematic aspects revealed. Some of these ideas will be taken on board and integrated into management practices, maybe because while satisfying the critique they also serve profit, or because they provide a means of motivating people in a change process (even if the change is desired for reasons other than the pressure exerted by the critique), or even because this is the only way to silence criticism when it is persistent and inventive, and its virulence is beginning to undermine employee motivation and cause disorganisation in the enterprise. It can thus be said that a successful critique is fated to be taken over and adapted.

There has been very little focus in accounting research on the critique of capitalism as a factor influencing accounting change and accounting history. Some Marxism-inspired work has attempted to develop a "political economy of accounting" (Tinker, 1980; Cooper, Sherer, 1984), putting social conflict at the heart of their analysis. However, the main conflict taken into account is the capital/labour relationship and the outlook is principally materialist. This type of approach attributes only a small historical role to ideologies and the output of ideas compared to power struggles. In such an analytical framework, the social critique receives most of the attention, while the historical role of other critiques of capitalism is played down, as is the work of social reformers who sought to reform capitalism rather than escape from it.

There are a few works that show a relationship between the movements of ideas felt throughout society and the spread of a particular management technique. Good examples of this are the research by Burchell et al. (1985) on the craze for value added in the 1970s, Miller's (1991) study of the development of discounted cash flow procedures as a management tool in the 1950s, and the work by Miller and O'Leary (1987) relating talk of "national efficiency" and the early 20th century eugenist ideologies to the development of standard costs in the UK. In this last example, the authors do not focus principally on the actual role of reform currents in social change 4. They are more interested in historical change over the long term in forms of social control, seeing accounting as a "tool of government". The present article is interested not so much in what budgetary control does to people (for example, it is a way of controlling them), as in the sources used by management tools to attain legitimacy in the early stages of their introduction, and their vision of an ideal society. We believe that management tools are transformed by the type of ideology accompanying them, and that this ideology has a formative impact on practices, being more than a mere mask to hide power struggles and legitimise domination (Chiapello, 2003).

In the light of these ideas, the texts presenting new management techniques can be expected to take over as their own a certain number of criticisms expressed in broader arenas, possibly

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4 Another article by the same authors (Miller, O'Leary, 1989), although it does not in fact discuss accounting, is closer to our own aims. P. Miller and T. O'Leary show that the concepts of organisational authority presented by American writers of management literature from 1900 to 1940 were in keeping with the USA's political culture, and evolved with the debates in the political arenas. In particular, the 1929 crisis and its consequences are seen as a time of significant challenge to previous models of authority. This crisis led to a new management literature represented by the writings of E. Mayo and C. Barnard.
the political arena, in order to show how their recommended tools can be seen as solutions to problems perceived as important. Also, they will probably tend to integrate proposals which only a little earlier were formulated by social reformers and had been considered by some as unrealistic, or at any rate of interest only to a very small minority. In the case of budgetary control, the promoters draw their arguments from the mass of ideas put forward by people seeking an alternative to the free market philosophy (Kuisel, 1981) during the 1930s. The second section of this article highlights the similarities between the budgetary control promoters' ideas and those of the 1930s social reformers, who in retrospect can be considered the inventors of postwar society. The social problems that most concerned these reformers related to the field of the social critique (poverty, inequalities, excessive individualism) as a result of the 1930s depression and the problems of postwar reconstruction.

1.3. Sources, texts and working method

For the purposes of the various analyses, we studied both the history of budgetary control and the economic, social and political context surrounding that history. Whereas primary sources (archives and contemporary documents) were used to describe the history of budgetary control (Berland, 1999a), a simple review of the existing literature was the basis for our examination of the schools of thought with which we shall attempt to demonstrate budgetary control is linked. We thus based our work on research by historians and sociologists who have preceded us in the field (these include Amoyal, 1974, Boltanski, 1982, Braudel & Labrousse, 1979, Cotta, 1984, Kuisel, 1981, Moutet 1997), and highlighted the ideological continuity between the thinking of certain pioneering groups in the 1930s and what was to become the predominant new ideology concerning the economy in the postwar period.

These studies show a parallel between the increasing adoption of budgetary control and the popularity of the ideas put forward by the 1930s reformers. However, we also need to demonstrate that this is more than mere coincidence, and that the promotion of budgetary control used the newly emerging economic ideology as a support. This required sources that could indicate a link between the major social and economic issues of a period and its recommended management tools.

Company archives were analysed, but they provided little useful information on the desired subject. We then turned to the writings that accompanied the development of budgetary control (textbooks, articles, conference papers, etc), but most of these discuss only the technical aspects of budgetary control, and were not therefore used for this article, although they comprise most of the available documentation.

We also examined other writings taking a more general look at the development of budgetary control, with reference to the main political and social issues under debate in the relevant period. This type of commentary was most often to be found in forewords, prefaces, introductions and conclusions, and more rarely in the body of the text itself. Two corpuses of texts were gathered, one concerning the 1930s and the other the 1950s. Details of the contents are included in the appendix. These two corpuses were treated in a fairly standard way: our main objective was to highlight the economic and social problems identified by the authors, and the specific or more general solutions (e.g. models of society) recommended by them. The quotations in this article are taken from this thematic reading.
2. The debate on budgetary control in relation to the broader debates of society issues in the 1930s and 1950s

Budgetary control began its development in France in 1930 (Berland, Boyns, 2002). It got off to a fairly slow start, used by only a few innovators: Alsthom, Imprimeries Delmas, PLM, Electricité de Strasbourg and Le Printemps are by far the best-known examples. In fact, it is known from archive research that other companies, which are never mentioned as examples, also developed budgetary control systems in the early days (e.g. Pechiney, Pont à Mousson). But it would not appear unreasonable to state that budgetary control initially remained the preserve of a small circle of pioneers (Berland, Boyns, 2002). The situation in Great Britain and the USA was probably more advanced than in France, although their lead was not as significant as might be inferred from reading certain authors (Johnson, Kaplan, 1987 or Chandler, Daems, 1979).

After the war, the development of budgetary control picked up again, until in the 1960s it was considered a traditional part of the manager's toolbox. Several studies undertaken in the sixties questioned how widespread a management technique it actually was. Budgetary control did not appear to have spread to all companies, but was widely known and used in the largest, even though the practicalities of its application varied widely from one organisation to another (Carré, Dubois, Malinvaud, 1972, p. 580; McArthur & Scott, 1970; Taboulet, 1966).

Economically and socially, the two periods were in stark contrast to each other. After the decline following the depression of the 1930s, then the war, came a period of reconstruction that was laborious at first but led to strong growth as early as 1950 (Carré, Dubois, Malinvaud, 1972; Braudel et Labrousse, 1979). In terms of social unrest, the stagnant economy of the 1930s brought with it political and social challenges to French society's traditional modus operandi, culminating in the strikes of 1936 and their consequences (nationalisations, introduction of paid holidays, etc). However, after the immediate postwar period and the confusion of the liberation with its numerous social movements, contestation declined.

In other aspects, the two periods show a large degree of continuity, underlined by many studies (principally Boltanski, 1982 and Kuisel, 1981). The platform of ideas and concepts that would form the basis for the economic growth of the 1950s and 1960s was forged in the 1930s: increasing state interventionism; development of the notion of public planning; organisation of new social classes, such as the cadres or managerial class; gradual separation of the ruling classes from the property-owning classes; progressive construction of what was to become the INSEE (Institut National de Statistique, the French government statistics body) (Desrosières, 1993; Volle, 1977).

This continuity is also visible in the intellectual, political and social debates running through both periods. This article first examines the various currents, all with a common desire to seek
alternatives to the free market economy (section 2.1), then studies the statements made on budgetary control, showing that they reflect the thematic currents concerned (section 2.2).

2.1. Reform currents

Three main configurations of reforming ideas have been identified from the work of the historians and sociologists. All three are intricately interrelated, borrowing themes from each other while remaining individually distinct.

As Boltanski (1982) et Kuisel (1981) point out, these three currents are more in continuum than in opposition. The ideas are in fact closely related, but expressed differently. The first (corporatism) disappeared with the war, but the second (planisme, then technocracy) adapted and successfully lasted beyond 1945. The third, which is difficult to classify – we shall call it "human relations" – sprang up in reaction to war, and also doubtless in response to American influence. Its ideas appear to have been mostly imported as a result of productivity missions. Often dominated by a minority elite, these new philosophies sought new foundations for economic growth, and grew in importance with the rise of new social groups such as the middle classes. This was a genuine "work of ideological redefinition", mainly concerning the bourgeoisie who were looking for a "third way" between free market capitalism and communism.

One of the origins of these reform currents lies in the French engineers' movement. Rooted in 19th Saint-Simonian traditions and sometimes strongly tinged with Catholicism, this movement evolved in the social space that saw H. Fayol's thinking flourish in the early 20th century, adopting the ideas of F.W. Taylor and the Scientific Management doctrine without too much difficulty. The groups of Taylorian and Fayolian engineers, which were established prior to the period concerned by this study, were extremely active and contributed to the output of the reforming ideas examined below, although these ideas cannot be reduced to mere by-products of previous rationalist currents.

We shall start (section 2.1.1) by examining the problems, identified by analysts of both periods, faced by the French nation, its companies and its managers, showing that there is extensive continuity and also renewal in the themes considered. This is followed by a presentation of the three currents named above as responses to these questions (Section 2.1.2).

2.1.1. Economic and social problems identified by the reformers

The major source of preoccupation in the 1930s was of course the economic crisis, which came late to France but nevertheless had a lasting impact on the country from the end of 1930. This crisis caused serious problems both for employers and workers. The security brought by growth in the 1920s was succeeded by a period of economic uncertainty, deflation, bankruptcies, and mass unemployment (Barudel & Labrousse, 1979). This situation opened the way for strong criticism of the free market economy, which was accused of sowing disorder and creating an uncontrollable and unpredictable situation. In continuation of this diagnosis, the social reformers took economic reform as their primary objective, to ensure such a crisis could never happen again.
In the postwar world, the desire to reform continued but the context had been altered. Now, another priority was to recover from the "moral disorder" of the Third Republic and the Vichy government. "The internal enemy, in economic terms, which held heavily responsible for the defeat of 1940 and accused of being the mainstay of collaboration, was capitalism in general and the trusts in particular. (…) The second element of the spirit of 1944 was the determination to build a better, or more moral, institutional life.(…) Economically this meant transcending liberalism, which had brought egotism, disorder, and backwardness under the republic, and destroying corporatism, which had ended in subjugation under Petain. Alongside the republic "pure et dure" was to be an organized, yet free, economy dedicated to human dignity, economic equality, growth, and the national interest. And in the place of capitalism there was to be an economy at least open to socialism". (Kuisel, 1981, p.188).

Since at this time the Russian revolution had already taken place, and the Soviet countries (and after the war, the whole Communist bloc) seemed to offer an alternative to economic liberalism, some of the critical forces were in favour of this way forward. Others, meanwhile, of more specific interest to this article as it was their ideas that were to forge the France of the postwar years, although not without permanent ongoing dialogue with the extremely powerful communist forces of the time, began to search for a "third way" between economic liberalism and socialism. The main concern in the 1930s for employers, whether progressives or not, was to find a solution to the failure of capitalism and the development of socialism, which was seen as ideologically unacceptable. The arrival in power in 1936 of the Front Populaire and its nationalisation programme only made the need for an alternative solution all the more glaring. The "third way" was explored in two forms: planisme and corporatism (see below).

The period of crisis was also a time when the conflict of interests between employers and employees, theorised by Marxism, became more obvious and more worrying. This intensified the search for new forms of cooperation between employers and employees – already present, for example, in the writings of F.W. Taylor and more generally in the Fayolian and Taylorian movements – particularly as the first practical applications of Taylorist theory were a long way from delivering the promised results in this field. The collaboration of personnel, whose involvement was a prerequisite for successful introduction of the new management methods, was taking its time to materialise. Workers wanted reassurance that "the time allowed was accurately measured, in view of the task, and thus it would be possible to receive the promised bonus without excessive effort" (Moutet, 1997, p.322). They found it difficult to believe that their participation in the Taylorian effort would enable them to benefit from the fruits of economic growth. For those reformers whose main preoccupation was to go beyond the class struggle, corporatist ideas, possibly allied with planiste ideas, were references that were impossible to ignore.

The references changed after the war and the new Fordian-style capital accumulation was then seen as an acceptable solution from 1950 onwards by the people who even before the second world war had been seeking a third way between economic liberalism and socialism. The aspirations to social renovation carried by the Resistance thus encountered older problematics that now took on renewed relevance because of the power of the communist movement,
which had emerged strengthened from the war years, and the violence of contemporary political and union contestation, which some feared would result in communist rule. It was urgent to provide guarantees of the intention to share the benefits of future growth, and to find a new equilibrium for employer-employee relations within the organisation.

National reconstruction was another major issue in the postwar period. In the late summer of 1944, France found itself in a critical situation, much more difficult in fact than in 1919.

"Production had fallen to a third of prewar levels. Port facilities and the transport system were in shambles. Bombing, sabotage, pillage and overuse had ruined much of the industrial plant. (…) In many cases the standard of living had fallen below sustaining life" (Kuisel, 1981, p.187). An intensive investment policy was decreed, partly to the detriment of consumption. Low-cost production in massive quantities was also necessary to meet the needs for basic products rapidly. The French economy was on course for industrialisation by forced march. To oversee the whole operation, a major planning effort began, involving French businesses. The productivity missions were part of this great project. Their supporters saw it as a way to bring France's supposedly "backward" productivity up to other countries' standards. There was an intensive propaganda campaign to support the productivity drive and the American model. More than 4000 envoys went to the USA to gather recommendations for rational organisation and industrial efficiency. From their reports, it is clear that they did not so much bring back original technical ideas as new concepts of relations within the organization (Boltanski, 1982). This gave rise to the idea that a "management gap" existed between France and America (as opposed to a "technological gap" as had been thought at the time), and that this gap needed closing by importing the latest human resource technologies.
2.1.2. **Responses of the reform currents to these problems**

The reforming imagination was extremely active in the 1930s, producing or adapting various reform currents whose spiritual descendents were to be visible in the 1950s among the people who made postwar France what it was. This article discusses these currents precisely because they were popular post-1945 although they had been far from mainstream in the 1930s. At that time they were seen partly as an offshoot of the French tradition of Catholic, Fayolian or Taylorian engineers and had developed through dialogue and confrontation with socialist currents.

**Corporatism**

Corporatist doctrine places the collective interest at the centre of society; it is thus in direct opposition to free market capitalism. Already deeply rooted in European culture (Cotta, 1984), this movement must be seen in the light of the rise of fascism, which took place at the same period in Germany and Italy. Corporatism's big idea was the recreation of corporations, similar to the former guilds (*métiers*), professional bodies made up of individual practitioners of the same craft, regardless of class, i.e. workers and employers together.  

"These bodies would assume the task of arbitrating industrial disputes, fixing work conditions, controlling prices, and determining the quality and even the quantity of the output. And in a corporatist state a system of professional representation elected an economic assembly that bypassed party politics and strengthened the republic's competence in economic
affairs" (Kuisel, 1981, p. 103). Nevertheless, for corporatists, the state was not supposed to direct the economy, as only corporatist organisations were considered competent to do so.

Corporatism, which stems from Catholic social doctrine and the Christian critique of materialism and individualism, can be seen as a reaction to other concepts of society that were put forward at that period, namely the free market economy, accused of generating chaos, selfishness and materialistic attitudes, and Marxism, criticised for stirring up class hatred and destroying social solidarity. Trades unionism was not considered any more acceptable, since it expressed the same class struggle. Corporatism advocated replacing the working class revolution by a spiritual revolution in which the different social classes, once organised, should work together. Turning its back on the impersonal nature of large-scale capital, the corporatist society would be based on the small businessman and his patriarchal virtues: personal responsibility would be directly invested into the job to be done, the capital and the jobs would be in the same hand, and employment relations would be magically transformed by paternalism (Boltanski, 1982). The aim was thus to restore social order and harmony within business organisations.

Corporatists were not averse to a certain degree of interventionism - in fact some also subscribed to the planners' philosophy - but the balance between production and consumption, or other economic problems, were nevertheless considered secondary. "They were social conservatives who wanted to revive such cherished values as hierarchy, family, discipline, class conciliation, religion and work" (Kuisel, 1981, p. 102).

This ideological current reached its zenith under the Vichy regime, which "officialised as State ideology, and in its institutions gave concrete form to, most of the themes dear to the educated Catholics of the nineteen thirties" (Boltanski, 1982). After the war, some of these ideas persisted, but with profound transformations. From 1950 on, the new ideologies from America reworked these old ideas.

One of corporatism's most noticeable impacts during the 1930s lay in the support it provided to restrictive practices and cartels between producers. Rather than being governed by market forces, the economy could be managed collectively in an optimal manner. Cartels were not a new phenomenon under corporatism, but corporatism provided them with justification5.

**Planisme and technocracy**

While corporatism sought to "overcome the anarchy of individualism" by, as Kuisel (1981, p. 102) puts it, restoring the organism's natural cells, the *planistes* were looking for a way to make the economy work. They wanted to preserve the free market system by adapting it and reducing the social tensions it generated. They believed that system needed structural reform to combat the violent economic disorder created by market capitalism.

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5 During the depression, industrials reacted by setting up agreements for the control of production and prices. In particular, their aim was to organise the limitation of production, and this attitude was fiercely criticised, together with an accusation that they were intensifying the fall-off in activity. "Operative cartel numbered in the thousands in 1939, and import quotas, among other restrictions, protected the home market for hundreds of industrial and agricultural products" (Kuisel, 1981, p. 94). The true level of competitiveness within the system had fallen close to zero in 1940.
"Some form of permanent, rational, economic management was needed to supplement market forces and bring production and consumption into balance. (...) In essence the planistes sought to ground an economic order in a rational, man-made economic budget and an institutional system of direction that was at odds with a market economy" (ibid, p. 98-99). The main tool of this new order was economic planning. Kuisel (1981) distinguishes two major trends in planisme: neo-liberalist planners and syndicalist-socialist planners⁶. These trends form the basis for the interventionism that took place after 1945.

Technocracy is another expression of planisme; the term only appeared after 1945. It refers to a certain concept of decision-making (Kuisel, 1981), according to which there is only one right solution, and that can be found by experts. This is shown primarily in the desire expressed by certain intellectuals to introduce a "planned" sector, which would contribute to efficient regulation of the economy (Coutrot, 1936). Management of this sector would be entrusted to a "body of men governing the pace of the economy without having any personal interest in any of the enterprises, but guided only by team spirit as regards the people under them". For its advocates, this planning would make it possible to establish "fair prices", make accurately efficient use of production resources and achieve "the distribution of prosperity" (ibid.). Taking up a famous phrase, Coutrot says what is needed is to "replace government of men by administration of things".

The development of technocracy and planisme in the 1930s continued after the war with French-style planning and the Keynes-inspired policies that were in operation at the time. Cotta (1984) partly explains this as the pursuit of corporatist ideas stripped of the Vichy mantle: "what is [planning] other than the coordination of the major corporations – whether entire professions or large companies, public or private, or the main administrations – by a public power represented in this case by the Commissariat Général". But in contrast to the "back to the land" policies of the Vichy regime, the postwar reformers chose a "forced march" industrialisation model to first rebuild the country, then catch up with other industrial nations. All production facilities required modernisation, to be achieved by means of highly ambitious objectives concerning the investment/consumption ratio, credit and currency control, nationalisation or state supervision of businesses that were essential to national reconstruction: energy, banking, insurance, transport, iron and steel and machine tools. Planisme and technocracy imposed experts to manage economic affairs.

After the war, the French environment moved towards a "new liberalism marked with strong statist and technocorporatist features" (Kuisel, 1981, p. 187). The ideas were quite similar to pre-war thinking, except that technocracy was now totally converted to Keynesianism⁷, and there was massive importation of American concepts of management.

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⁶ "While the first embraced planning to perfect capitalism, the second did so to build socialism" (p. 105). These two currents had several points in common: reason, controls, and planning were to replace the natural mechanisms of the market. Neo-liberal planisme attracted managers, engineers and high ranking civil servants, people who valued forecasting, controls, self-discipline and cooperative networks. Socialist trades unionist planistes, on the other hand, were in favour of nationalisations, rigorous interventionism and trades unions.

⁷ 1945 saw the establishment of the ENA, Ecole Nationale d'Administration, designed to replace the Ecole Libre des Sciences Politiques as supplier of high-ranking civil servants. Meanwhile in economic teaching, Keynesian ideas were taking over from the doctrinary free market ethic (Kuisel, 1981, p. 215).
"Human relations": the importation of American-style management

The most obvious American contributions to French business concern the methods for social control and settlement of conflict within the enterprise. This is reflected in the importation of human resource technologies inspired by the Human Relations movement, which recommended increased decentralisation of decision-making within the organisation as a means of increasing managers' responsibility and motivation. Perhaps a better term would be "economic humanism", a phrase coined by J. Coutrot (1936), as the ideas developed after the war were not totally new, and it is not always easy to distinguish between theories brought in from America and those taken up from the 1930s. The notion of centres of responsibility, largely absent from business practices in the 1930s, developed in the 1950s, as organisations' desire for greater decentralisation grew.

All the thought systems of the traditional employer class were challenged, as was the training of intermediate-level personnel (Boltanski, 1982). The new human resource technologies now looked less to prewar rationalisation methods than to the social sciences. The final objective, however, remained the same: to succeed in increasing cooperation between employers and employees. In the words of Luc Boltanski (1982), the goal was to "achieve what corporatism had failed to do, but by other means".

The necessary human resource technologies were imported from America following a considerable number of productivity missions. The members of these missions concluded that if Europe in general, and France in particular, were lagging behind America, the gap was not so much in the technical field as in matters of industrial relations and organization. The envoys noted the "constructive attitude displayed by the workers" in the USA, and criticised French managers for "opposing any constructive change, not making plans that take account of the future, not allowing their subordinates enough responsibility and authority, not giving enough priority to human factors and the respect of workers' dignity" (Boltanski, 1982).

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8 The question of decentralisation is nothing new in itself, and had already been discussed in the 1930s, mainly in relation to the example of Bata, without however making much of an impact (see below).
The problems described above and the solutions proposed by the reform currents are expressed in the texts written by the promoters of budgetary control in each of the two periods. As we shall see, budgetary control in the 1930s aimed to solve the problems of its time by reference to contemporary reforming ideas. 1950s budgetary control changed slightly to take account of the new expression of postwar issues and also looked to the new institutions under construction. The fact that right from the start, budgetary control gleaned arguments from areas other than the field of economic efficiency appears to illustrate the importance of institutional factors in the adoption of new management practices. Particularly significant among these is the role played by the vision of the social reformers (whose goal is not a more efficient economy, but construction of a better society) in the production of management techniques.

2.2. Budgetary control in the 1930s

First of all, we shall see that the writings of supporters of budgetary control reflect the preoccupations and envisaged solutions of social reformers of their time (section 2.2.1). We then examine their actual conception of budgetary control (section 2.2.2).
2.2.1. The arguments put forward by promoters of budgetary control in the 1930s

The desire to reform the economy so that another such crisis could never happen again is clear in the output of the promoters of budgetary control of the 1930s. Pulvermann (1930) resituated budgetary control in this effort to control capitalism: "the budget should be defined as a search to plan and take measures to use all the serious data obtainable. In this way, we can distinguish and limit the speculative aspects of capitalism". And after a long discussion of the difficulty of establishing forecasts, he related this effort to cartelisation: "In this matter, it is down to science to supply at least a few fundamental rules, and it falls to the unions and the cartels, working together on an international level, to consolidate the situation by practical means".

Schmidt (1930) also thought that budgetary control would be a guard against future crises. "The development of the budget concept, particularly the long-term investment budget covering whole decades, is a response by the capitalist economy to the reproach first expressed a long time ago by representatives of the socialist economy, that it lacks foresight in the event of crises, which can only be avoided by such a method".

References to the various forms of the third way between economic liberalism and socialism that were being envisioned at the time also turn up regularly in the texts examined.

There is a corporatist reference in Musil (1930): "The use of its methods [i.e. the methods of budgetary control] and the acceptance of its principles engender the right mental attitude for better cooperation and better coordination of individual efforts, while at the same time encouraging the mind to freely express greater individuality." Similarly, Bourquin (1937) believed that budgetary control could help structure the French industrial scene in a purely corporatist logic: "These standard prices, once they have been tested and used to satisfaction in the internal administration of a business, can be compared with information supplied by competitors, thus providing a solid basis for negotiation when an agreement is introduced between producers. Practical experience shows that the first measure to be taken is to develop standard prices, which will be useful for all members of a corporation, enabling them to see the situation as it is and talk the same language".

The planners' ideas, meanwhile, are visible, to take one example, in Coes (1930): "in adopting the budget procedure, we are thus recognising the importance of looking far ahead, and showing that we believe in the possibility of forecasting, and the practical usefulness of forging ahead in the light of what has been planned".

Serruys (1930), appears to have combined both tendencies: "there are collective methods which should be followed, there are efforts to be made by the unions and professional bodies <corporatism>. Budgetary control must leave the purely individual domain of one factory's experience and become the concern of a whole profession <corporatism>, or a whole sector of industry. (...) For a single type of machine, the various manufacturers will want 30, 40 or 50 different sorts of special steels: everyone has their own pet type, everyone their particular favourite. How can you expect the supplier, juggling with all these demands, to establish costs for sufficient quantities? (...) We have here an experience to share, a collective choice to be made, we need to show how a poor purchasing policy has endangered the stability of certain businesses and trampled over the best balanced budgets <planisme>. (...) In short, a budget established by any industry contains a series of aspects in which the individual's activity clashes with the initiative of the organized collective operations. (...) And this is how a budget
that is controlled, studied together, <corporatism> studied from the point of view of its professional and technical aspects, can not only be a part of beneficial, concerted private initiatives, but must also contribute to rectification <planisme>, one could almost say guidance <planisme>, of the nations' economic policies".

As for leaving behind the class struggle, that also appeared to be an area where budgetary control could make a contribution. This echoed the glad tidings that Taylor wished to bring, reformulated by the promoters of budgetary control for the purposes of their own cause. Only a "rational study" could bring about progress in employer-employee collaboration and the move towards fairer division of value created.

Edmond Landauer (1930) explained at considerable length that analysis of variances from budget was "the only rational form of employee profit sharing", because "budgetary control of costs provides every participant in production an exact budget for the part of the task that is his. Going over budget or staying within budget depends only on him, his efforts and his intelligence. (...) Therefore, with no fear of ever making an error, everyone can be attributed a percentage of the saving. (...) Many industrialists know that high salaries increase the purchasing power of the masses, and are useful for industry prosperity. However, they are afraid to grant them, for fear of increasing costs. The system of granting bonuses for savings on budgeted allowances removes this fear, since wage increases are inexorably associated with falling costs. (...) In giving concrete expression to the interests of job providers and job takers, budgetary control is thus not only an instrument for economic prosperity, but also (maybe first and foremost!) a means of ensuring peaceful industrial relations."

2.2.2. Budgetary control as a rationalisation tool

The 1930s definition of budgetary control stressed its usefulness as a rationalisation tool. This rationalisation was coherent with both the planiste and the corporatist approach, and also with the cartelisation of the French economy of the period. Rationalisation was the cornerstone of the third way sought by reformers, and in keeping with the Taylorian schema, it was hoped it would take society beyond the class struggle.

Rationalisation of industry was to be achieved by the planning effort demanded by budgetary control and coordination at national level, which finally became possible for the well-being of the whole nation. It was generally believed then as now that when problems are considered in a rational way, it is possible to solve them. The 1930 Geneva congress on budgetary control, already referred to several times, was organised by the Institut International d'Organisation Scientifique du Travail (IIOST). But this desire to create rational order is found in most of the texts from the 1930s. Behind this view of budgetary control, there is a very mechanical dimension: it is the tool used to rationalise management's tasks, just as time and motion studies had resulted in rationalisation of workers' tasks. Some went as far as to consider budgetary control as a way of introducing a kind of Esperanto for all company members. For example, Commesnil, in the CNOF review, expressed his hope for the emergence of a new common language and standard values. Classification of accounts on the same basis within the company, he argued, should make it possible to make compare its various departments. The internal coordination made possible by budgetary control could be extended to coordination external to the company.
2.3. Budgetary control in the 1950s

The postwar years were marked by issues that were expressed differently from those of the prewar period.

2.3.1. The arguments put forward by promoters of budgetary control in the 1950s

The question of moral rebuilding of society, an extremely important one among postwar preoccupations, even found its way into texts on budgetary control.

In his book published in 1956, for instance, Leob stated that: "It is not an exaggeration to claim that a genuine budgetary humanism has been born, is developing and will leave its mark on the era we are now entering. (...) Man wants to control the forces which for so long have enslaved him. Through budgeting, he intends henceforth to direct the economy, put all the resources of nature at his service, and, for the collective good, impose his will once and for all on the objects around him".

Jean Benoît (1954), too, at a conference entitled "Control for the use of management" (Benoît, 1954), raised several themes related to the new economic humanism, with explicit reference to budgetary control. But rather than technique or implementation, he talked of the hopes associated with it. "Delegation of tasks and responsibilities with trust in others" was recommended. The other themes also mentioned the idea of a fairer society: "the aim is not only to provide economic subsistence and fairness in form, but to foster the fulfilment of individual initiatives", "man does not live on bread and wages alone, but on aspirations and ideals", "free enterprise must be accepted as an eminently useful member of the social body", "enabling the men employed by the enterprise to fulfil all their potential. The company manager must not only be a constructor of products, but also and perhaps above all a constructor of men". In the 1958 Sorbonne lecture, "Business management and its evolution", J. Benoît ended his address to students with the following words: "You all know the comment by a foreign poet on the need for a sort of "redemption of the utilitarian man by the artistic man"? I sincerely believe that this no longer applies, I believe that the time has come to unite all willing men in this country, whatever their origin, whatever their qualifications, in order to, and here I quote word for word a statement by one of the workers following our supervisors' course: "build a joint work together, with a view to creating a better world". (p.10)

Otherwise, the writings on budgetary control were careful to explain how budgetary control is capable of resolving the class conflict, and often professed their belief in the Fordist solution, which dominated most discourses at the time. Jean Milhaud, in a lecture on budgetary control in 1952 (Cégos, 1953), stressed that a certain number of authors had developed "a whole philosophy of budget", thus showing how it could become "a useful part of good human policy". A little further, he explained: "At a time when constructive efforts are being made at
all levels of the company to underline the eminent place of man in production and make him an enlightened partner in management’s action, it is not neutral to observe that wherever the trouble has been taken to push the details of budgetary procedure as far as the section or workshop, this has at the same time given the people who make up the enterprise's basic groups (teams, workshops, factories, departments) a way to be better informed of their business’s goals and difficulties, and consequently a means of acting more efficiently on productivity. We also know that only those enterprises with a budget system that branches out to its extreme can calculate the immediate repercussions of simplifications proposed at the level of a particular department or workstation, and thus distribute some of the expected savings to the originators of the suggestions, according to their policy. In such a case, financial and human management techniques are interdependent. And this can be taken much further if everyone is willing to do so."

There are even more general considerations to be found in the report issued by the 1951 OECCA (the professional accountant body) mission: "American employers consider that if they are to survive in a free economy, it is their responsibility to develop productivity while at the same time increasing total wages paid to blue-collar workers and guaranteeing job security. These general ideas are commonly expressed in the industrial and commercial communities, as well as in the universities, where the professors cooperate in the development of a modern philosophy of the industrial world." "It appears that the USA is seeing the blossoming of a new manager class (...) who, fully conscious of its responsibilities and prerogatives, does its best to integrate and harmonise its efforts with those of the working class, with the general goal of greater productivity and promoting well-being".

The big new idea of the postwar period, as already mentioned, was decentralisation. As J. Benoît remarked (1956, author's capitals): "the most efficient management method once a business reaches a certain scale is THE METHOD WHICH SEeks AND INVOLVES APPROVAL AND PARTICIPATION BY THE LARGEST POSSIBLE NUMBER OF ALL INTERMEDIATE LEVEL EMPLOYEES, the method in decentralised form." (p.9). He tirelessly repeats this theme in his lectures, for example in 1958 at the Sorbonne: "We also need an organisation based on decentralisation and trust, which means that leaders, at all levels of objective-fixing, must ensure that people have the appropriate resources and introduce the much-vaunted control system that is efficient without crippling the organisation. We need to organise matters so that the humblest employee still retains a certain feeling of freedom, initiative, responsibility and dignity." (p.6)

Guillaume (1958), meanwhile, explained that "budgetary control can also provide the environment for general application of the principles of human relations and public relations." To do so, it uses the principles of delegation of power and responsibilities. Budgetary control is seen as a way of establishing downward and upward communication in the hierarchy, ensuring coordination and raising everyone's awareness of his role in the organisation.

The evolution in the 1950s authors' concept of budgetary control thus echoed the changes in the social reformers' main preoccupations and their proposed solutions for society in general.
2.3.2. Budgetary control as a decentralisation tool

After the second world war, budgetary control began to play a broader role. No longer confined to a merely technical dimension, it also took on a "human resources" dimension, as discussed above. It was now a management tool that would foster personal fulfilment in the workplace by granting greater freedom to the individual. However, its original dimensions remained: budgetary control was still a tool for forward planning, coordination and optimisation. Now, though, it was seen more frequently than before as a means of motivation for managers. The major source of this motivation was the decentralisation of authority structures, which developed in parallel with budgetary control. The as yet unknown idea of raising motivation through fixing objectives, and the debates about the right level of objective-fixing needed to motivate senior employees, etc were only to be added to this picture in the 1960s.

The issue of decentralisation per se was not new, and had already been raised in the 1930s, mainly with reference to the example of the shoe manufacturer Bata, but had not caused any great ripples in the pond. The example set by this company was introduced into the literature in the 1920s by Hyacinthe Dubreuil, and was taken up by certain other authors (e.g. Landauer, Coutrot, and others) but without apparently generating anything more than straightforward texts. Thomas Bata's major contribution lies above all in his management of personnel. His "key idea was to work on the working class mentality so as to take it from an employee mentality to an entrepreneur mentality" (Landauer, 1933). Thomas Bata introduced a supervisor for each workshop, who worked for the company but formed an autonomous team with his workmen. The various workshops were linked by a system of internal transfer prices. The aim was to make employees as autonomous as possible, putting them "in the boss's shoes", using the method successfully developed in France by Lucien Rosengart and known as the "small businessmen method (méthode des petits patrons)". Bata's principles consisted of giving more responsibility to actors in the business. Rimailho (1936) and Satet & Voraz (1947) noted the importance of these autonomous groups in the healthy situation at Bata.

Bata's example also inspired Coutrot (1936), who used it as an example to illustrate his political project Economic Humanism. He too stresses the creation of autonomous groups, managed "by very detailed accounts, where each workshop has a special budget for receipts and expenses". This type of organisation made it possible to have an "efficient, humane" enterprise, which "instead of an immense absolutist empire or even the constitutional empire run by a Louis Renault" brings about the existence of "a federation of small units on a human scale, where the head of each one knows his colleagues personally and is known by them, and may even be more or less chosen by them if the work is organised in the form of a partnership or cooperative".

The Bata case should have introduced the idea of decentralisation, but in fact this did not happen in the 1930s. However, the idea began to take hold after the second world war. Also at that time, the concept of centres of responsibility was developing within organisations, whereas this concept had been largely absent from business practices in the thirties. The mechanistic logic of the 1930s was thus succeeded by an organic and systemic logic, in which budgets reflected the interactions between the economic and social, and between the varying centres of responsibility.
Definitions of budgetary control also became fuller. In 1951, the report produced by the accountants' productivity mission stated that budgetary control was "a set of coordinated forecasts for a limited period of time, generally the year, established so as to allow early identification of operating conditions and Profit and Loss account items, dividing these forecasts up in such a way that it is possible to appoint a person responsible for each one, systematic reconciliation at fixed periods, generally monthly, of the actual results in the various management areas with the forecast results, speedy communication of the related information not only to Management, but to the persons responsible, down to fairly low levels in the hierarchy"(OECCA, 1951).

In the list of the "aims" of budgetary control given by the authors of the same report, the foreground was no longer occupied by the issue of controlling the economy and preventing economic crisis, which had been the major stated purpose in the 1930s. The following aims were listed "in order of importance": "1) For Management, it is a convenient way of decentralising responsibility without forfeiting control; 2) It is the simplest way of practising management by exception at all levels of the hierarchy and for all management factors; 3) It is a means of showing everyone the road Management intends to follow in directing the company. (...) It is the means of indicating in detail to each co-worker what is expected of him, and thus making the necessity of personal effort an accessible notion; 4) It is a very reliable way of detecting certain errors in organisation, particularly duality of responsibilities." (p.36)

The above analyses give sufficient indication of the links between the concept of a management tool at a certain period, and the dominant ideas of the period concerning economic and social organisation. The tool can give concrete form to certain aspects of this ideology in business life, and the ideology provides promoters of the tool with several arguments in favour of its adoption that go beyond a demonstration of its economic qualities. The contrast between the 1930s, when the ideas that were later to take centre stage were associated with a small elite, and the 1950s, when they actually achieved the dominant position, also illustrates the process by which criticisms are taken on board and integrated into the capitalist world.

The model we use suggests that in the event of an economic and/or social crisis in a given society, the social space becomes a receptacle for criticisms, put forward together with an analysis of the causes of identified problems and reform proposals (in fact, if the criticisms are sufficiently virulent and heeded by enough people, they may even be a major cause of the crisis). In the collective effort to come out of the crisis, some of these proposals are implemented, including in business life and management practices. We believe that in day-to-day business management, budgetary control thus became one of the spearheads for reorganisation of French capitalist institutions in the period that followed the second world war.

We shall now reinterpret the history of budgetary control as a history that accompanies the changes in the spirit of capitalism over the period. The ideas already discussed will be developed in two directions. Firstly, we will emphasise the change process itself, rather than
the demonstration that the change took place in parallel to France's institutional change over the period. Secondly, we will add a motivational dimension to our analysis, following Weberian sociological tradition. Along with the change in the institutions over the period, there was a significant change in the social representations and value systems of the actors. It was the actual meaning that people attributed to their integration into the capitalist world that changed. In other words, the effect of the reformers' ideas was not only to change coordination and regulation methods or supply justification for these changes; they also brought about a profound transformation of the actors' world views and motivational models.

3. The progressive transformation of the spirit of capitalism, as seen through the budgetary control tool

We will first present the concept of the spirit of capitalism as developed in the book by Boltanski and Chiapello (1999), together with the historic phases in its transformation defined by the authors. We then see to what extent the above history of the non-economic arguments used by the promoters of budgetary control, as recounted above, illustrates and throws light on the changes over the period in the spirit of capitalism.

3.1. The concept of the spirit of capitalism

Involvement in the capitalist process (understood in minimal format as an amoral process of unlimited capital accumulation by means that are pacific in form) is in fact perceived to be singularly lacking in justification when it is considered that the process has nothing to offer other than this accumulation⁹.

But capitalistic accumulation requires commitment from many people, although few have any real chances of making a substantial profit. Many will be scarcely tempted to get involved in the system, and might even develop decidedly adverse feelings.

It is unrealistic to think that all that is needed is to include these people by force (working to survive). Modern economies demand of their managers (cadres) particularly, but also of all employees, a high level of commitment and involvement in the workplace, and one of the essential aspects of this involvement is the ability to give "meaning" to one's actions. This meaning goes beyond the mere idea of generating profit, and is supplied by what the authors, taking up the concept developed by Max Weber, call the spirit of capitalism.

The relevance of this work for the present article lies in the fact that the authors use a highly specific concept of ideology. It is not, as often happened with the Marxist vulgate, taken in a simplistic sense of a moralising set of notions designed to veil material interests and constantly belied by practice. Instead it is seen in the sense developed for example in the

⁹ Wage-earners have lost ownership of the fruits of their labour as well as any hope of ever working other than as someone else’s subordinate. As for capitalists, they find themselves chained to a never-ending and insatiable process.
works of Louis Dumont, that of a set of shared beliefs integrated into the institutions, committed to action and thus rooted in reality (Chiapello, 2003). And it so happens that management tools are considered as central instruments for bringing about the integration of the spirit of capitalism into business management practices. The management literature, meanwhile, is seen as a major receptacle for the spirit of capitalism of a period.

Analysis of changes in the ideologies associated with the economic sphere is thus extremely closely linked to the changes in management organisation styles and management tools, which put into physical form or practice the promises contained in the spirit of capitalism of a given period. This goes to show that the adoption of new management practices and innovatory management tools, such as budgetary control, is facilitated when they accompany the dynamics of the spirit of capitalism.

Below is a summary of the historic phases proposed by Boltanski and Chiapello (1999), and the principal characteristics of the model showing the transition from one spirit to another.

### 3.2 Historical change in the spirit of capitalism

As Schumpeter and Marx had noted, one of the main characteristics of capitalism is that it is permanently revolutionising the social order supporting it. As a result, capitalism is capable of taking extremely variable historic forms, which continue to be referred to as capitalist because of the persistence of a certain number of central characteristics (wage-earners, competition, private ownership, capital accumulation-oriented process, creeping commodification of all social activities, etc). The actual spirit of capitalism accompanies the capitalist process over a long period, while adapting its contents to the different historical forms it takes. It can thus be considered that two levels of justification of the capitalist process are encompassed in the spirit of capitalism at a particular time.

First and foremost, a spirit of capitalism stems from a relatively stable set of arguments, most of which have been shaped by economic theory. These arguments accompany the capitalist dynamic in the long term. The second level consists of justifications that are more variable over time and fit with the historical forms of accumulation.

Three dimensions can be identified at this second level:

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10 Management literature, as understood in the work cited, comprises all the normative texts, mainly written by consultants in the recent period, which particularly promote certain methods of organisation and certain "new" management practices. The authors show that at a given period, there is no infinity of ways to describe the "new high performance organisation" or the "organisation of the future": on the contrary, the models appear to converge around a small number of proposals which influence the spirit of the time. Boltanski and Chiapello (1999) based their efforts (as Weber and Sombart had done previously) on texts that provide moral education on business practices. In their study, this meant two bodies of work from the field of management studies: one from the 1960s; and one from the 1990s (each representing around 500 pages and 50 texts).

11 There are essentially three types of argument, each stressing:
   a) a type of progress that cannot be dissociated from the current state of technology or the economy; or
   b) the efficiency and effectiveness of competition-driven production; or
   c) the fact that capitalism is supposed to be an auspicious regime for individual liberties (which can be economic and also political in nature).
a) The first dimension indicates what is “stimulating” about an involvement with capitalism - in other words, how this system can help people to blossom, and how it can generate enthusiasm. This “stimulation” dimension is usually related to the different forms of “liberation” that capitalism offers.

b) A second set of arguments emphasises the forms of security that is offered to those who are involved, both for themselves and for their children.

c) Finally, a third set of arguments (and one that is especially important for our demonstration) invokes the notion of fairness, explaining how capitalism is coherent with a sense of justice, and how it contributes to the common good.

When seen in this light, the spirit of capitalism can be said to have undergone a number of historical changes. From the literature on the evolution of capitalism, one can sketch at least three “spirits” that have appeared, one after the other, since the 19th century.

a) The first, described amongst others by W. Sombart, corresponds to a predominantly domestic form of capitalism. Its main incarnation is the entrepreneurial bourgeoisie. The “stimulation” dimension is manifested by an entrepreneurial spirit; its security dimension by the respect for bourgeoisie morality. In this instance, fairness mechanisms essentially revolve around charity and personal assistance.

b) A second “spirit” (descriptions of which were found between the 1930s and the 1960s, e.g., in Galbraith’s work) which focuses on the idea of the large, integrated firm. Its main incarnation is the salaried director. Security is to be achieved through mechanisms such as career development and by the link between private capitalism and the rise of a welfare state. Fairness takes on a very meritocratic form in that it incorporates skills whose certification involves the awarding of credentials.

c) A third form of capitalism, which began to manifest itself during the 1980s. The book by Boltanski and Chiapello (1999) is mainly devoted to the construction of an ideal-type for this third variety of the spirit of capitalism.
<table>
<thead>
<tr>
<th><strong>Forms of the capital accumulation process</strong></th>
<th><strong>First spirit End of 19th Century</strong></th>
<th><strong>Second spirit 1940-1970</strong></th>
<th><strong>Third spirit Since 1980s</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Small family firms</td>
<td>Managerial firms</td>
<td>Network firms</td>
</tr>
<tr>
<td></td>
<td>Bourgeois Capitalism</td>
<td>Big industrial companies</td>
<td>Internet and biotech</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Mass production</td>
<td>Global finance</td>
</tr>
<tr>
<td></td>
<td></td>
<td>States economic policy</td>
<td>Varying and differentiated productions</td>
</tr>
<tr>
<td><strong>Stimulation</strong></td>
<td>Freedom from local communities</td>
<td>Career opportunities</td>
<td>No more authoritarian chiefs</td>
</tr>
<tr>
<td></td>
<td>Progress</td>
<td>Power positions</td>
<td>Fuzzy organisations</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Effectiveness possible in</td>
<td>Innovation and creativity</td>
</tr>
<tr>
<td></td>
<td></td>
<td>“freedom countries”</td>
<td>Permanent change</td>
</tr>
<tr>
<td><strong>Fairness</strong></td>
<td>A mix of domestic and market fairness</td>
<td>Meritocracy valuing effectiveness</td>
<td>New form of meritocracy valuing mobility, ability to nourish a network, etc</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Management by objectives</td>
<td>Each project is an opportunity to develop one’s employability</td>
</tr>
<tr>
<td><strong>Security</strong></td>
<td>Personal property, Personal relationships</td>
<td>Long term planning</td>
<td>For the mobile and the adaptable</td>
</tr>
<tr>
<td></td>
<td>Charity, Paternalism</td>
<td>Careers</td>
<td>Companies will provide self-help resources</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Welfare state</td>
<td>To manage oneself</td>
</tr>
</tbody>
</table>

*Table 1: three spirits of capitalism*

The book *The New Spirit of Capitalism* is devoted to the transition from the second to the third spirit of capitalism and, and the picture it paints of this second spirit based on a corpus of management texts dating from the 1960s corresponds to a fairly late period, with Management By Objectives appearing as the central device, while it had not yet been mentioned in the 1950s texts studied for this article. And yet it is well known that MBO were added to budgetary control practices.

The case of the budgetary control tool, whose developments can be examined in detail from the 1930s, provides an opportunity for better understanding of the gradual transition from the first to the second spirit of capitalism.

The spirit of capitalism of a period, according to our definition, promises three things: security, stimulation and fairness. Below we see how these three dimensions were affected over the period studied, generating a significant change in the spirit of capitalism.

### 3.2. The promise of security

In the original spirit of capitalism, security was guaranteed by the very form of the economic fabric, woven from small family-run businesses building on local networks and trust of the kind found in family relationships. Security came about through protection of personal

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12 The rest of this article talks of the “first”, “second”, and “third” spirits of capitalism with reference to this table, which only concerns late capitalism. Under no circumstances are we suggesting that the first spirit referred to in this way is the spirit of the original capitalism, the only one of interest to M. Weber. Although we follow Weberian tradition in placing the ideologies underlying capitalism at the heart of our analyses, our use of the concept of the spirit of capitalism departs slightly from the standard approach. For Weber, the concept of spirit is part of an analysis of the “types of practical rational behaviours”, and “practical incentives to action”, which because they make up a new ethos, have made it possible to break with traditional practices, develop calculative mentalities, remove moral condemnation of profit and start the process of unlimited accumulation. We do not aim to explain how capitalism came about, but to understand how in various periods it has succeeded in attracting the actors needed to generate profit.
relationships within the family in its broadest sense (if the servant-employer relationship is taken into account). In bigger enterprises, active paternalism by the company director provided the workers with a form of protection.

But this form of security, specific to the original spirit of capitalism, was shattered in the inter-war period, which saw the development of financial capitalism and large companies that turned their backs on the family business capitalism, and also the economic crisis of the 1930s, resulting in a significant fall in paternalistic protection. The reformers did not all have the same solutions to recommend in this situation. Corporatism was more interested in the old form of the promise of security, and its proposals were along the lines of abolition of international, impersonal financial capitalism in order to go back to capitalism founded on small-businesses and personal relationships. In contrast, the planistes and Taylorian economists thought it was possible to build a new form of security through rational organisation of labour and planning.

In general, discussions of budgetary control, even when the authors were totally in agreement with the corporatist idea of coordination by profession, tended to give priority to the new form of security.

The speakers at the 1930 conference frequently underlined the promise of security conveyed by budgetary control. One example is Jadot (1931), who noted: "I think that if budgetary control had been used everywhere in worldwide industry, we would not have seen the irrational excesses of production observed in most industries, and consequently the current crisis would not have been so catastrophically intense as it is". Coes (1930), meanwhile, explained that "from one essential standpoint, the main aim of budgetary control is to provide a means of control, to restrain and stabilise fluctuations in business volumes, which would otherwise be irregular." Serruys also remarked (1930): "Once we have shown public opinion (...) that it is necessary to make forecasts, and adjust the activity to those forecasts, perhaps we will prevent these wide fluctuations."

These hopes in the construction of a new form of security through planning took concrete form in the postwar period. The Keynesian state adopted the philosophy of planning, and the advocates of budgetary control were thus recommending a tool that was perfectly suited to the ideas of the public reformers.

However, the promise of security also developed, becoming much more elaborate in form with the Fordist creed, which as we have discussed, was extremely important in the 1950s.

The spectre of the mass unemployment experienced in the 1930s was still haunting all efforts to construct a new form of security in the 1950s. Loeb, for example, speaking to Cégos (Cegos, 1953) declared that budgetary control "is inseparable from the profound social preoccupations, since production is made for men, not men for production : the enterprise must endeavour to guarantee stability of employment for its personnel, to free them from the constant worries of employees, their fear of having no work, to avoid periods when they are overburdened with overtime being followed by short-time rationing of work". This desire to avoid unemployment for as many as possible came up again later in his speech. Budgetary control would provide a solution to the unemployment problem, since better rationalisation of production resources would mean that the labour force could be used in a more regular
manner: "and in this way, we will be able to eliminate, or at least reduce the number of, those notices posted outside the employment offices advertising for workers to enter the labour market, and which most unfortunately bring to mind their counterparts, the notices in shops showing the items they want to sell off on their buyer's market. It will be a long-term effort, and the company must be able to pursue this strategy using its own resources, without ignoring the efforts made by the government."

For the National Productivity Committee (Comité National de la Productivité), budgetary control was more than just a technical end for companies. It was a political, micro-economic arm in the struggle against the inactivity forced on employees (unemployment) that was generated by a lack of rationalisation. The leaflet The Budget, Your Best Tool (Comité National de la Productivité, 1952) stressed the regular production levels attained thanks to budgets and forecasting. The idea is to replace adjustments, which take place to the detriment of employees, by greater rationality. Coordination and regular flows should make it possible to avoid occasional periods of unemployment, and also costly overtime. If the worker can work in peace and confidence, in the knowledge that full employment is guaranteed, then he participates more actively and contributes to improved productivity.

Jean Parenteau (with the help of the Cégos, of which he was a member) published one of the most important postwar works on budgetary control (Contrôle de gestion par méthode budgétaire). In his introduction to the third edition in 1959, he justified the use of new control techniques: "The collective enterprise represents, more than a pool of capital, a set of social interests: for a certain number of people and families, living conditions are linked to those of the company, and if it fails, employment and the poverty it causes are the immediate consequences. The company manager has a duty to maintain the level of activity in his workshops, and he can only achieve this by very close supervision of his enterprise. Accounting is the most efficient way for him to exercise such supervision."

3.4 The promise of stimulation

The "first" spirit of capitalism declared its faith in technical progress, and promised fulfilment for the entrepreneur. This promise appears to have remained unchanged in the 1930s, even though, as we have seen, the spirit of capitalism had already begun a transformation in its proposals concerning security.

Taylorian engineers continued in the tradition of the Saint-Simonians, referring to previous experiments in French-style management (see, for example, the case of Rimailho mentioned by Lemarchand, 1998; or the case of Coutrot described by Dard, 1999). The enthusiasm of the 1930s was generated by the ever greater progress being achieved by mankind in controlling the world through reason, science and technical knowledge. From this point of view, budgetary control in the 1930s carried a promise of stimulation totally in keeping with the first spirit of capitalism.

For example, Coes (1930) explained that: "When a man has accepted the idea that the adoption of a budget is not there to restrict or confine him, but that it is in fact a way of making him master of his own task instead of being dominated by that task, then we have removed one of the major points of resistance to the budget".
This ambition to control the world through science, including management science, was much less marked after the second world war. The horrors of Nazism and the atomic bomb has disillusioned the champions of technical knowledge and the liberation of mankind through science. The promise of stimulation was very different in the 1950s. Now, the promised momentum was expected to come from decentralisation of responsibilities and personal fulfilment in the workplace. The seeds of this new promise of stimulation were already present, as we have seen in the discussion of the 1930s, through the example of the Czech company Bata. Whereas the themes developed by Bata had not interested a very wide audience in the thirties, the situation was different after the second world war.

The productivity missions were one of the most important places where the new promise of stimulation was formed, through importation of American human resource technology. This promise, conveyed by budgetary control, should itself be examined in the context of France's enthusiastic discovery of Fordism and its consideration as a new economic humanism. Returning from a mission to the USA (OECCA, 1951), the French accountants were highly enthusiastic about American business: "There is no conflict between social welfare and the company's interest in survival. Both coexist in harmony, both obeying the same rational rule, both are measured at the same time and by the same standard". J. Benoit's speeches, extracts from which are included in the previous section, share the same enthusiastic tone: the accountants and controllers were to be at the heart of economic renewal, and its use to serve humanity.

3.5 The promise of fairness

A dual form of fairness underpinned the first spirit of capitalism. First, emphasis was placed on a market type of fairness (Boltanski, Thévenot, 1991), a type of social Darwinism where the most competitive survives. This form of fairness is coherent with the free market ethic prevalent in late 19th century/early 20th century France. The market was believed to be self-regulating, and underperformers were eliminated. This form of fairness cohabited with a highly contrasting "domestic" fairness (Boltanski, Thévenot, 1991), which emphasised fidelity to tradition and respect of the father figure. People were treated according to their position in the domestic hierarchy and their respect of bourgeois precedence. The dutiful son inherited his father's place because he was the heir, not because he was competent, as an "industrial" fairness might require, nor because he was the most competitive, which would be in keeping with market type fairness.

This curious alliance contained in the promise of fairness of the first spirit of capitalism was greatly affected by the growing criticism of the free market economy in the 1930s, a great motivation for seekers of the "third way". Domestic fairness, meanwhile, was never really challenged – although that was to change significantly in the 1950s. Over the whole period, a new promise of "industrial" fairness – characteristic of the second spirit of capitalism – was gathering force. This was built on a hierarchy of competence, selection and promotion of the best performers, an ideal social order capable of legitimising the new social group formed by professionals and managers (cadres), which by definition, could not claim legitimacy by ownership as grounds for its authority.
The seeds of this new promise were visible in certain texts of the 1930s. Musil (1930), for instance, in an article titled "Cooperation, manager training, wellbeing of the Nation", declared that: "Budgetary control methods have a point of excellence: they provide criteria that can be used to assess merit, and therefore enable the manager to appreciate to what extent the individual assumes his responsibilities successfully and continuously." Landauer (1930) was also sensitive to the new form of fairness which should result from budgetary control: "Based on scientifically established standards, it [the budget] makes it possible to reward everyone's efforts according to merit, and provides a fair, practical solution to the highly controversial problem of fair distribution of corporate profit."

The period following the second world war extended this promise (the great advantage of budgetary control was, according to J. Benoit, that it "replaced human judgment, which is always awkward and delicate, with judgement by figures"), but added to it the affirmation of a more important place for Man in the production process, and associated it with the Fordist creed and its promise of fairer distribution of the fruits of growth, which budgetary control was believed to facilitate (see section 2).

Analysing the shift from the first spirit of capitalism to the second, based on the texts on budgetary control, we see that the transformation did not happen at the same rate for all dimensions. The first spirit appears to have reached a crisis when its promise of security turned out to be incapable of standing up the depression of the 1930s, and market type fairness was challenged by the failures of the free market system revealed by the same crisis. The solutions for each of these dimensions placed priority on rationalisation systems, whether in the form of Taylorism or planning. These new systems were seen in the 1930s as capable of calming the newly emerging anxieties concerning security and fairness, while being a natural extension/continuation of the first spirit in their enthusiasm for scientific knowledge and confidence in technical progress. Security by forward planning, and fairness by calculation were contemplated, but these proposals were only effectively implemented after the war. It was also only after the war that the promise of stimulation was reconstructed around the central concept of personal fulfilment in the workplace through decentralisation of responsibilities, and the break from the first spirit of capitalism was thus finalised. The transformations in the concept of budgetary control during the 1960s, not covered in this article, continue the definition of this stimulation dimension with the MBO system and the quality of the new meritocracy.

*The new spirit of capitalism* suggests that the shift from the second spirit of capitalism to the third also took place at differing rates for the various dimensions. However, this time, the stimulation dimension has been the most significant, the first to enter the crisis and the first to remould its proposals, while the new promises of fairness and security are taking their time to settle into practical form.
<table>
<thead>
<tr>
<th>Before 1930</th>
<th>1930</th>
<th>30s</th>
<th>1940</th>
<th>War</th>
<th>40s</th>
<th>1950</th>
<th>50s</th>
<th>1960</th>
<th>60s</th>
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<tbody>
<tr>
<td><strong>Security</strong></td>
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<tr>
<td>Personal Relationships</td>
<td>Paternalism</td>
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<td></td>
<td>Corporate</td>
<td>Abolition of international impersonal financial capitalism</td>
<td>Planning</td>
<td>Fordist regulation welfare state</td>
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<tr>
<td>Security though planning</td>
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<tr>
<td><strong>Stimulation</strong></td>
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<tr>
<td>Faith in technical progress</td>
<td>Planisme</td>
<td></td>
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<td></td>
<td></td>
<td>Decentralisation of responsibilities</td>
<td>Management by objectives</td>
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<tr>
<td>Scientific management</td>
<td>Crisis</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Human relations</td>
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<tr>
<td><strong>Fairness</strong></td>
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<tr>
<td>Domestic fairness</td>
<td>Human judgment</td>
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<td></td>
<td>Corporatism</td>
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<tr>
<td>Market type fairness</td>
<td>Crisis</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Industrial fairness</td>
<td>Assessment of merit</td>
<td>Judgement by figures</td>
<td></td>
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<tr>
<td>&quot;First&quot; spirit of capitalism</td>
<td>&quot;Second&quot; spirit of capitalism</td>
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Figure 3: from the "first" to the "second" spirit of capitalism
4. Conclusion

Through this article a certain number of hypotheses on the adoption and spread of new management practices have been tested. We have shown the close interdependence between the concept of a practice or the definition of a management tool and the most predominant social and economic ideologies of a period, and the capacity of the business world to make the social reformers' ideas its own. It has also been seen that management tools are not only a response to efficiency requirements, but are also vehicles for social reform proposals, and their promoters know how to refer to these ideas to make the tools they are defending even more attractive.

We have to some extent discussed the relationships between political rationalities (that deal with general ideas), more specific programmes (which are concerned with the detail of how political rationalities might be accomplished) and technologies (considered as an effort to match rationalities and programmes with action) to use the concepts of Miller and Rose (1990) and Rose and Miller (1992). However, this discussion was based on other conceptual tools and immersed the analysis of these relationships in a dialectic model for change in society based on the sequence: crisis and criticism of capitalism-reform proposals-"takeover" of those proposals and transformation of capitalism.

We have also attempted to show that when they are acted upon, the social reformers' ideas not only lead to change in the institutions that regulate and organise capitalism, but also contribute to in-depth change in the motivational models governing employees' involvement in the life of companies, and structuring their expectations and demands\(^{13}\). Management tools as vectors for values, but also as devices embedded in the life of the organisation, contribute by their presence to construction of these expectations.

We also note that various frameworks now exist to analyse the varying forms of capitalisms existing in different countries at a given time, or at different times in the same country (see for example Crouch, Streeck, 1995, Hall, Soskice, 2001; Boyer, 2002). On the whole, however, these analyses tend to ignore the world of ideas, and although they study and compare the institutions, they tend to neglect ideologies as social institutions. Some accounting research is itself inspired by these frameworks, e.g. Puxty et al. (1987). This article has attempted to show that it is possible to extend analyses of different types of capitalism into analyses concerning schools of thought, and that accounting practices also belong at that level in this research programme.

References


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\(^{13}\) This analysis also complements the historical schema suggested in The New Spirit of Capitalism, providing a study of the transition from the first to the second spirit of capitalism, with particular reference to the management tools used (a starting point that was largely absent from the works of Boltanski (1981) and Kuisel (1981)).


Boltanski L., Chiapello E. (1999), Le nouvel esprit du capitalisme, Paris: Gallimard


Boyer R., Durand J.P. (1993), L’après-fordisme, Paris Syros

Boyer R., Mistral J. (1978), Accumulation, inflation et crise, Paris, PUF


Burchell S., Clubb C., Hopwood A., Hughes, Nahajiet J. (1980), The roles of accounting in Organizations and Society, Accounting, Organizations and Society, vol. 5, n°1, pp. 5-27


Cailluet L. (1995), Stratégies, structures d'organisation et pratiques de gestion de Pechiney des années 1880 à 1971, Thèse d'Histoire Lyon II.


Ellul J. (1990), *La technique ou l'enjeu du siècle*, Paris, Economica (this text has been written in 1960 but was published in French very lately).


Sotto (1983), Scientific utopia and accounting, *Accounting, Organizations and Society*, vol. 8, N°1, pp.57-71


Annex: Corpus of reference texts

1. 1930s

*The Geneva conference of 1930*

The starting point for budgetary control in France and Europe is certainly the international conference held in Geneva from July 10th-12th 1930 on the theme of budgetary control (IIOST, 1930, Leroy, 1930), organised by the IIOST (*Institut International d'Organisation Scientifique du Travail*) or IMI (*International Management Institute*).

Present among the experts was McKinsey, the author of a book in 1922 entitled *Budgetary Control* which became an important reference. The other speakers all came to share their practical experiences in budgetary matters, making the conference a meeting of practitioners. 258 persons registered for the conference: 44 were Swiss, 39 German, 35 French, 33 British and 23 of other nationalities. However in the event only 197 were able to attend, including 31 Frenchmen. The attendees were given extensive documentation, including Anglo-American works but also several French documents.

There are two sources for consulting the speakers' presentations made to the Geneva conference:

- IIOST [1930], *Conférence internationale du contrôle budgétaire*, Geneva, conference reports, 2 volumes available for consultation at the Bibliothèque Nationale.
- A special dossier summarising the conference was also published in the magazine *Mon Bureau* in August and September 1930:
  - Bunbury H. [1930], "Le budget d'Etat comparé avec celui d'une entreprise", *Mon bureau*, Septembre, p. 399.

14 They included P. de Berc (Cie desForges de Chatillon, Commentry et Neuves-Maisons), G. Delmas (member of the board of the printing firm Delmas, Chapon et Gounouilhon), H. Fayol (Fayol's son and a member of the board for *Organisation économique moderne*), M. Lacoïn (general secretary of Citroën), P. Levy (management attaché for French national railways), A. Antoine (general manager of Strasbourg electricity), J. Milhaud (Head of Industrial organisation at the employers' federation CGPF), T. de Saint-Pulgent (general manager of Grands Magasins du Printemps), R. Satet (Head of the Industrial organisation department at the sectorial employers' federation UIMM), J. de Vilmorin (manager of Vilmorin-Andrieux et Cie, grain merchants).


Pulvermann H. [1930], «Les organismes centraux de l'administration industrielle et le contrôle budgétaire», Mon Bureau, Septembre, p. 400.

Ravisse G. [1930], «Deux résultats d'importance de la pratique du contrôle budgétaire», Mon Bureau, Septembre, p. 385.


Schmidt M. [1930], «Le budget d'investissement, les affectations de capital et le système budgétaire», Mon bureau, Août, pp. 351-352.


Other sources for the 1930s


Bourquin M. [1937], Méthodes modernes de répartition et de contrôle des frais généraux dans l'industrie, Dunod, Paris.

Clark W. [1926], Le graphique Gantt, instrument de direction, Dunod.

Guillaume M. [1958], La gestion budgétaire des entreprises, Editions Nauwelaerts, Anvers.

Ludwig (Dr) H. [1930], Le contrôle budgétaire dans les entreprises industrielles, Librairie française de documentation G. Claisse, Paris.

Ponthière M. [1934], «Le budget et le contrôle», L'Organisation, Octobre.


Saint-Pulgent (de) T. [1934], «Le contrôle budgétaire aux grands magasins du Printemps», Cégos, Document OA7, 8 p.

Satet R. [1936], Le contrôle budgétaire, Dunod, Paris.


Articles on the case of Bata

The case of the Czech shoe manufacturer Bat'a (or Bata) was introduced in the 1920s by Hyacinthe Dubreuil, and subsequently referred to by other authors (see above). This example fascinated reformers of the time, because it associated budgetary control with decentralisation of responsibilities.

2. 1950s

Productivity missions

As part of the reconstruction effort, specific measures were taken to improve productivity in French companies and make up France's "backward" situation. In 1948 a productivity working group, chaired by Jean Fourastié, was set up under the auspices of the General Planning Commission (Commissariat Général au Plan). This was followed in 1949 by a provisional productivity committee (Comité provisoire de la productivité), then in 1950 by the AFAP (Association française pour l'accroissement de la productivité – French association for increased productivity). To help the French "bring things up to standard", the Americans on the Marshall Plan Mission in France proposed that missions of company heads and unionists should visit the USA. One of the AFAP's main functions was to organise these missions, of which 450 took place (between 1950 and 1953) involving more than 4000 members, company managers, engineers, cadres (approximately 45%), union representatives (approximately 25%), top ranking civil servants, economists, psychologists and sociologists (approximately 30%) (Boltanski, 1982, p. 157ff; Kuisel, 1981, p. 262ff). The actual audience reached by these productivity missions is still a subject of debate between historians of this period.

Some of the reports produced by these missions raise the question of budgetary control:

- Comité National de la Productivité [1952], Votre meilleur outil, le budget - Le budget par la comptabilité pour la productivité, Société auxiliaire pour la diffusion des éditions de productivité, Paris.
- OECCA [1952], La comptabilité, mesure et facteur de productivité, Association Française pour l'Amélioration de la Productivité, Paris.
- Enquête en vue de l'accroissement de la productivité [1955], Le contrôle de gestion dans la sidérurgie américaine - Rapport de la mission française de productivité aux USA de la délégation de la sidérurgie, Soc. auxiliaire pour la diffusion des éditions de productivité, Paris.
- AFAP [1949], Première mission aux Etats-Unis de la construction électrique (matériel d'équipement), AFAP, Paris.
-AFAP [1951], La productivité en action dans la construction électrique (matériel d'équipement), AFAP, Paris.
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-AFAP [1954], Productivité... Problème de direction, AFAP, Paris.

The writings of Jean Benoit

One of the most important sources on budgetary control in the postwar years is the work of Jean Benoît, an industrialist who had quite a significant lecturing activity. He played a major role in the development of budgetary control in France, and a brief summary of his career would appear useful. A graduate of the Ecole des Mines in Saint-Etienne, which he entered after turning down a place at the prestigious Ecole Centrale des Arts et Manufactures (Cailluet, 1995), he joined AFC (one of the companies making up Pechiney ) at the age of 26. Four years later, he was the director of the Argentière plant, where he achieved the lowest cost in 1932. A member of the French national management committee CNOF in the 1930s, he worked with Clark to establish budgetary control at Pechiney. From 1939, he managed the industrial organisation department in charge of the reorganising the company. At the time of his sudden death in 1962, he was the company's general secretary. In parallel to his brilliant career at Pechiney, he had an important public life, teaching at the Ecole Nationale d'Administration, the Ecole de Guerre and the INSEAD. He was a founder member of the management control institute ICG – Institut de contrôle de gestion, and of the research centre for company managers CRC (Centre de recherché et d'étude des chefs d'entreprise) at Jouy en Josas. He also represented Pechiney at the French national employers' association CNPF, and was a member of the National accounting council Conseil National de la Comptabilité (CNC). He was the author of many publications (see below), and without a doubt one of the founding fathers of budgetary control in France.

The following are among the texts known to us by this author from the 1950s:

Cégos [1953], Le contrôle budgétaire, 6 expériences françaises, Hommes et Techniques, Paris.

In addition, others are stored in the Pechiney archives 001-7-30994., the "Jean Benoit Lectures":

1951. « La productivité, expérience dans l'industrie ». Institut des Hautes Etudes de Défense Nationale.
1952. « Le contrôle budgétaire français en 6 expériences. » Journées d'études de la CEGOS du 5, 6 7 mai 1952. Benoit intervient à trois reprises sur "Le contrôle budgétaire aux Etats-Unis", "Le tableau de bord des chefs d'entreprise aux USA", "Le rôle du « contrôleur de gestion ».
1953. Note interne Pechiney
1955. « Le tableau de bord d’un chef d’entreprise ». Discours prononcé par Raoul Vitry, PDG de Pechiney, mais écrit par Jean Benoit.
1958 (ou 1959 ?). L’étude des prix de revient et la gestion des entreprises. Commission de l'organisation professionnelle et économique du CNPF.
1958. « La gestion des entreprises et son évolution ». Exposé à la Sorbonne.
1960. « L'expérience d'une grande entreprise en matière d'organisation et de méthodes ». Comité d'organisation « Organisation et méthode de l'armée de terre ».
1961. « Conférence au Comité régional de la productivité ». Lyon

Other sources for the 1950s

Guillaume M. [1958], La gestion budgétaire des entreprises, Editions Nauwelaerts, Anvers.