

The Emergence of Modern Business Enterprise in France, 1800–1930. By Michael Stephen Smith. Cambridge: Harvard University Press, 2006. x + 575 pp. Index, notes. Cloth, \$59.05. ISBN: 0-674-01939-3.

Reviewed by Ludovic Cailluet

Michael Smith, a professor of history at the University of South Carolina, has written the first general French business history for English-speaking scholars since the publication of François Caron's *Economic History of Modern France* in 1980. Smith wrote the book in order to supply the French piece that had been missing from the jigsaw puzzle of *Scale and Scope: The Dynamics of Industrial Capitalism*, written by Alfred Chandler in 1990. In *The Emergence of Modern Business Enterprise in France, 1800–1930*, Smith proposes that France did not represent an exception in the development of large, successful multinational companies during the late nineteenth and early twentieth centuries, although he admits that French companies did not reach the size of comparable industries in Germany, Great Britain, and the United States.

Smith spent fifteen years laboriously compiling an impressive list of primary and secondary material written in French, including records kept in the French National Archives and the Credit Lyonnais files and several published and unpublished doctoral dissertations that are largely inaccessible to readers outside France. He appears to have read most of the business-history books published in France between the 1960s and the 1990s. In that respect, his scholarship is as impressive as his knowledge of the literature. However, his list contains few references to French or international research that appeared after the mid-1990s, such as Jean Fombonne's 2001 book on the evolution of human-resource management, which reflects a new path in French business history. When he was unable to uncover works of scholarship on a topic, Smith turned to primary material, such as entrepreneurs' memoirs and companies' in-house publications, which often lack objectivity and thus should have been cited more cautiously.

The book is divided into three parts. An introductory section connects modern French economic history to earlier developments in the *ancien regime*. Smith takes the reader "from Merchant capitalism to finance capitalism," devoting considerable space to

banking and transportation, particularly the railways. Subsequent chapters focus on textile, coal, and metals. In the second section, Smith continues in the Chandlerian tradition, organizing his analysis into “collective biographies” of industries.

Banking, coal mining, chemicals, metals, and automobiles, the most “traditional” business history subjects and the areas that have been thoroughly researched by both French and international scholars, are well covered. Emergent or service industries are accorded less space and are barely mentioned in the second and third sections of the book. Hence, there is little coverage of consumer goods, food, retail or luxury products for the final decades he surveys, a state of affairs that reflects the status of these sectors in French historiography.

In two chapters, entitled “The New World of Industrial Capitalism” and “The New World of Managerial Capitalism,” Smith synthesizes his industry descriptions. In the former, he looks at how big business was financed, how labor was managed, and how business interacted with the “external” environment during the period before 1880. In an interesting passage, he explores the new cost-accounting skills acquired by French industrialists, an important topic that is rarely covered by business historians. In the latter chapter, he uses railways as the central case study while describing the construction of organizational capabilities and the professionalization of management within French firms after the turn of the twentieth century.

The major strength of this book is the wealth of information it contains. However, while strong on detail, the book is somewhat disorganized. Smith’s major conclusion is that, contrary to the “conventional” (i.e., English-speaking) historiography, France’s industry has been more successful, in term of commercial achievements, technology development, and internationalization, than has been generally thought. He claims that by 1930 the country’s industrial achievements had prepared the way for the postwar “glorious years,” which stretched from the 1950s to the 1980s. Indeed, Smith has traced the successful evolution of modern French industry over the fifty years he covers in this book.

From his many examples, it is evident that large multinationals, such as Air Liquide, Elf-Aquitaine, Lafarge, Michelin, Pechiney, and Peugeot, reached the status of “modern business enterprises.” What Smith does not convey is the role of the French

national business system, nor does he clarify how the state, the legal and cultural framework, technology-transfer efforts, and foreign direct investment influenced the development of these firms and supported their efforts to modernize.

There are seventy pages of notes, a useful index of concepts, such as “accounting” and “clothing industry,” and a list of companies. No detailed map of France has been supplied, a benign omission, but a resource that would have been helpful for undergraduate readers.

The book is “cast in the Chandlerian mold,” and it remains too faithful to this schema, with the result that it neglects the role of the state and overlooks the social and cultural contexts of company management. Nevertheless, this will be a useful reference in any course on French capitalism and business history for non-French students, and it is certain to continue to be consulted by students of French business history for many years.

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