What is new in terms of French capitalism and management at the start of the twenty-first century compared to the 1970s? Most obviously, a more rootless financial capitalism and professional American managerialism are both much more widespread. At the same time the influence of the past is still very strong. As Serge Weinberg, the chairman of the Pinault-Printemps-Redoute group reminds us: ‘We still live in France with the idea of the divine right of the boss’ (Le Monde, 19 July 2002). While weakened, family and close-knit educational elite networks still hold the keys to doing successful business in product and financial markets. Equally, while American managerialism continues to spread, it is still being cherry-picked for those aspects that build upon existing managerial behaviours. Overall, change and restructuring of aspects of capitalism and management only marginally outweigh the experience of continuity. The market-driven world view of the centrality of individual liberté has become more influential, and ideas of fraternal social responsibility and egalitarianism less so. Yet, the strength of the two latter ideological perspectives continues to provide both a myriad of restraints upon French capital, and poles of resistance to the ‘inevitability’ of France’s complete adaptation to the American model.

Many companies have been forced to take management strategy more seriously to cope with a more competitive marketplace and accelerating pressure from American and British investment funds to conform to American stock market norms. Research and development, sales and marketing have all become more significant parts of firm organisation than previously. In much of French business product variety has increased, along with sub-contracting and specialisation. Generally, delivery times have fallen and product quality has risen. Establishment and firm size have fallen. Rapidly rising numbers of managers have become increasingly educated in American managerial methods. A growing proportion of these are women – whose numbers in private business rose from 125,000 in 1982 to 300,000 by
Human resource managers (many of whom are also women) within a substantial section of French industry are applying techniques including employee shareholdings and stock options aimed at motivating their increasingly qualified employees.

At the same time, while these large firms shed employees, their reach into France’s small and medium-sized firms has increased through stock participation, the creation of small subsidiaries and sub-contracting. As a force big capital is at least as important as it always has been, and probably more so. At the same time, as we saw in Chapter 5, the French state is as omnipresent as ever, employing nearly one in four, absorbing (before redistributing) nearly half of GDP and still providing a protective neo-corporatist environment for many firms. There also remain huge areas, particularly among small and medium-sized businesses, where management culture has barely evolved. Many of France’s best performing firms either retain authoritarian management styles and apply Taylorist organisation, or have applied computer-driven neo-Taylorist control.

Many important changes have and are continuing to take place. But the continued strength of ‘family’ and ‘elite network’ capitalism, a background economic stability that derives from the persistence of a high level of state intervention, and the continued weakness on the ground of trade union opposition in small and medium-sized firms, has had two important consequences. Through permitting French capitalism to shed labour, invest heavily in new technology and keep wage inflation low, its mix of change and continuity allowed France to retain its international competitiveness despite considerable substantial divergences from the American non-regulatory anti-corporatist model. This chapter first sketches the financialisation of large capital, before turning to the declining independence of smaller firms. In Section 6.3 the chapter examines associated changes in the French management.

6.1 Industrial–finance capital

The recent evolution of large-scale capitalism in France has been like a roller coaster. In the early 1980s, as we saw in Chapter 4, there was a huge extension of nationalisation and profitability was low. By the millennium year privatisations had more than reversed that wave of nationalisations, there was a stock market boom, and profitability rose to historically record levels. Just ten of the country’s biggest firms announced profits for 2000 equivalent to those of the profits of the 30 biggest firms in 1999 (Le Monde, 1 March 2001). Then in 2001–2002 a new downturn set in, amplified by, but predating 11 September.

Despite this macro-economic instability, the continued presence of a substantial state market sector (including the railways, coal, electricity and gas and Paris transport) as well as high levels of government employment and