

In Quest of the Stages of Renewal of French Entrepreneurship in the Years 1950s-2000s

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Several studies have already debated the issues regarding French entrepreneurship¹, and we ourselves have written a short synthesis covering two centuries of French economic history². In this text we hope to concentrate on the second half of the 20th century and to define the “awakening” of French entrepreneurship after the depression and the Second World War, participate in the debates around the “decline” of this entrepreneurship when what we could call the Great Crisis set in in the years 1970-1990, and finally, to evaluate this entrepreneurship’s dynamism in the face of the stimulations of the third industrial revolution and globalisation. France has often been the stage for talks on “declinism” – the tendency for reacting more slowly and less decisively in the face of change and thereby losing competitiveness³ –, on “managerial malthusianism”⁴, as though French employers presented some unique characteristics, and on “corporatism”⁵. “French culture had become risk adverse”, told a businessman⁶. In fact, such debates have often raged at some time or the other in every neighboring country and are still very much alive today (in Italy for example). But this feeling of inferiority is still evoked every time a European competitor asserts its power, especially Germany⁷.

For the purposes of this inquiry, we shall understand by “entrepreneurship”⁸ the empirical collection of entrepreneurial vitality (judgment and character in favour of innovation and investment), strategic sense (knack for finding the course to take, understanding the changing competitive balance of power), a corpus of managerial virtues in the art of breaking down the rigidities of management, of questioning the business model of the company and medium-term and of freeing productive forces

¹ David Landes, “French entrepreneurship and industrial growth in the 19th century”, *Journal of Economic History*, May 1949, 9, n°1, pp. 45-61. Rondo Cameron, “L’esprit d’entreprise”, in *La France et le développement économique de l’Europe, 1800-1914*, Paris, Seuil, 1971 (Princeton, 1961). Hélène Vérin, *Entrepreneurs, entreprise. Histoire d’une idée*, Paris, Presses universitaires de France, 1982. AFHE, *Entreprises & entrepreneurs, XIX^e-XIX^e siècles*, Paris, Presses de l’université de Paris-Sorbonne and AFHE, 1983. Emmanuel Chadeau, *L’économie du risque : les entrepreneurs, 1850-1980*, Paris, Olivier Orban, 1988. Patrick Verley, *Entreprises et entrepreneurs du XVIII^e siècle au début du XX^e siècle*, Paris, Hachette, 1994.

² Hubert Bonin, “A short history of entrepreneurship in France (from 1780 up today)”, in Youssef Cassis & Joanna Pepelasi Minoglou (eds.), *Country Studies in Entrepreneurship. A Historical Perspective*, Oxford, Oxford University Press, 2006, pp. 65-97.

³ Nicolas Baverez, *La France qui tombe*, Paris, Perrin, 2003. Jacques Marseille, *La guerre des deux France. Celle qui avance et celle qui freine*, Paris, Perrin, series “Tempus”, 2004. “Le débat sur le déclin”, *Commentaire*, special issue, n°104, Winter 2003-2004. Michel Wiewiorka, Élie Barnavi, Judith Bokser Liwerant, João Caraga (et alii), *Le printemps du politique. Pour en finir avec le déclinisme*, Paris, Robert Laffont, series “Le monde comme il va”, 2007. Julie Bouchard, *Comment le retard vient aux Français. Analyse d’un discours sur la recherche, l’innovation et la compétitivité. 1940-1970*, Lille, Septentrion, series “Information-Communication”, 2008. Frédéric Charillon, *La France peut-elle encore agir sur le monde ? “Does France still count?”*, Paris, Armand Colin, 2010. Emmanuel Lechypre & Béatrice Mathieu, “Francoptimistes contre déclinologues”, *L’Expansion*, May 2011, pp. 80-81. Frédéric Schaeffer, “Optimistes, déclinistes : le match des économistes”, *Les Échos*, 24-25 June 2011, p. 10.

⁴ Maurice Lévy-Leboyer, “Le patronat français a-t-il été malthusien ?”, *Le Mouvement social*, n°88, July-September 1974, pp. 3-49. Louis Bergeron, “Essai de typologie du patronat français” (beginning of the 20th century-around 1930), *Le patronat*, Lausanne, Société suisse d’histoire économique et sociale, pp. 7-18. Louis Bergeron & Patrice Bourdelais (ed.), *La France n’est-elle pas douée pour l’industrie ?*, Paris, Belin, 1998.

⁵ Steven Kaplan & Philippe Minard (eds.), *La France, malade du corporatisme ? XVIII^e-XX^e siècles*, Paris, Belin, 2004.

⁶ Maxime Amiot, Nicolas Barré & David Barroux, “Olivier Piou, directeur général de Gemalto”, *L’Entretien du lundi, Les Échos*, 7 February 2011, p. 12.

⁷ Jean-François Eck, *Les entreprises françaises face à l’Allemagne de 1945 à la fin des années 1960*, Paris, CHEFF, 2003. Patrick Fridenson, “Les patronats allemands et français au XX^e siècle. Essai de comparaison”, in Rainer Hudemann & Georges-Henri Soutou (eds.), *Eliten in Deutschland und Frankreich im 19. und 20. Jahrhundert. Strukturen und Beziehungen*, Munich, Oldenbourg Verlag, 1994, pp. 153-167.

⁸ See “The significance of the entrepreneur”, Mark Casson, *The Entrepreneur. An Economic Theory*, Cheltenham, Edward Elgar, second edition, 2003 (first, 1982), pp. 9-18. José Garcia-Ruiz & Pier Angelo Toninelli, *The Determinants of Entrepreneurship: Leadership, Culture, Institutions*, London, Routledge, series “Perspectives in Economic and Social History”, 2011. Alain Fayolle & Azzedine Tounes, “L’odyssée d’un concept et les multiples figures de l’entrepreneur” », *La revue des sciences de gestion*, n°220-221, July-October 2006.

(along a Marxian meaning, through a better combine of productive means and of commercial taskforces) to sustain the “growth and dynamics of the firm”⁹, and perseverance (commitment to a firm’s policy of expansion and the rejection of an approach based on pure financialisation and the perception of the firm as a simple aggregate of easily modifiable assets, finally the relative cohesion of jobs of the enterprise). We shall federate these aspects under the generic term “strategic entrepreneurship”, which can be applied to small & medium enterprises, big companies, and production or finance groups, the requisite being that their management be identified to a true leader or to a team benefitting from a strong cohesiveness. Though this strategic entrepreneurship obviously benefits from the initiatives taken by entrepreneurial families, this familial capitalism is not the sole lever: it has also taken shape within some corporate management teams in the domain of managerial capitalism, thus giving rise to the differences in the strategic, financial and commercial success of companies and even, ultimately, of cooperatives.

We do not claim to have made an exhaustive analysis, or to have arrived at statistically and scientifically precise results. Instead, we have tried to open new avenues of thought and encourage debates through many such “essays” which stimulate questions. In each part, we will try and determine how far the *SWOT (Strengths-Weaknesses-Opportunities-Threats)* strategic matrix may be used as a framework for the deployment of the strategic entrepreneurship – knowing that this frame of reference can help to evaluate “the strengths and the weaknesses” of the French economy¹⁰.

1. The post-war economic boom: the cradle for a new strategic entrepreneurship?

The literature of economic history has ample material on company history, industrial history¹¹ and productive sector history to nourish our analysis of these three decades of strong growth.

A. The *SWOT* matrix and strategic entrepreneurship in the years 1950-1970

There is no doubt that entrepreneurial initiatives were clearly checked, if not suffocated, by the new post-war economic configuration in France. Major nationalisations dismantled capitalist investor networks, jammed the financial market and drained away an important substance. A large “mixed economy” favored the growth of semi-public enterprises and a “controlled economy” imposed regulatory constraints on the actors¹², especially in the financing circuits, while the Plans¹³ fixed the investment and mobilization priorities for the available funds, as though the State’s economic apparatus would by itself be capable of reversing the country’s economic “decadence”.

Finally, the weight of cartellisation hobbled many sectors, such as the public utilities under public management, public works, big industries (aluminum¹⁴, materials, telecommunication and civil engineering material, smelting, steel, etc.), etc. These handicaps constitute the basis of the *threats* on free enterprise and consequently, on entrepreneurship.

Still, new avenues opened up for entrepreneurs who could seize the strategic investment and commercial innovation opportunities in the internal (and colonial) market which was the primary target in times marked by several attacks on free trade or any sign of an internationalist spirit. Several favorable openings stimulated initiatives:

⁹ “Growth and dynamics of the firm”, Mark Casson, *The Entrepreneur. An Economic Theory*, Cheltenham, Edward Elgar, second edition, 2003, pp. 161-187.

¹⁰ See Jean-Marcel Jeanneney, *Forces et faiblesses de l’économie française*, Paris, FNSP, 1959. *La situation de l’industrie française en 1971. Rapport au Comité interministériel de politique industrielle*, Paris, National Institute of Statistics and Economic studies, 1973.

¹¹ Maurice Lévy-Leboyer (ed.), *Histoire de la France industrielle*, Paris, Larousse, 1996.

Denis Woronoff, *Histoire de l’industrie en France. Du XVI^e siècle à nos jours*, Paris, Seuil, 1994.

¹² Richard Kuisel, *Le capitalisme et l’État en France. Modernisation et dirigisme au XX^e siècle*, Paris, Gallimard, 1984. Robert Delorme & Christine André, *L’État et l’économie. Un essai d’explication de l’évolution des dépenses publiques en France, 1870-1980*, Paris, Seuil, 1983. Laure Quennouëlle-Corre, *La direction du Trésor, 1947-1967. L’État-banquier et la croissance*, Paris, CHEFF, 2000.

¹³ Bernard Cazes & Philippe Mioche, *Modernisation ou décadence. Contribution à l’histoire du Plan Monnet et de la planification en France*, Aix-Marseille, Publications de l’Université de Provence, 1990. John H. McArthur & Bruce R. Scott, *L’industrie française face aux plans. “Harvard ausculte la France”*, Paris, Éditions d’organisation, 1970.

¹⁴ Florence Hachez-Leroy, *L’Aluminium français. L’invention d’un marché, 1911-1983*, Paris, CNRS Éditions, 1999.

- Satisfying the demand for the construction of public (social housing, assisted housing for the lower middle class, road and rail networks, sports venues) or private buildings.
- Satisfying the emerging demand of a growing consumer society by private enterprises in parallel with the public sector.
- Value addition of natural and agricultural resources to break the legacy of an underproductive agriculture prevailing in many regions as compared to the big agricultural regions of the Paris basin.

The *weaknesses* which could hamper such a growth of the strategic entrepreneurship are, essentially, the limits of the financing circuits of the small and medium enterprises (SME). The classic local banks which had backed them during the first third of the century, had practically all disappeared, while the new formulae still lacked the scope, especially the cooperative banks (*Crédit agricole, Banques populaires*). Cultural sluggishness was also a handicap:

- A mediocre general technological culture due to a weakness in the professional and technological training which was still in a state of limbo – in contrast to the Germans, for example. Sure, there were poles of technical formation (Lyon, the Rhenan area, the North region; schools of *Arts-et-Métiers*, the *Mines* schools and the *Centrale* schools, etc.); but the overall mindsets were oriented towards a structured investment into technical and professionalised fields only from the seconde half of the 1960s.
- The lacunae in accounting education were still enormous, especially as the regulations were still in the process of being developed (Accounting System¹⁵, implementation of direct taxation via the VAT) in the years 1950-1960. These delays hampered the growth of SMEs because a number of them were hit by managerial and accounting errors and wiped out by the recessions and the lack of cash flow due to a lack of accounting analysis.
- Should we also mention, in the context of economic culture, the resistance put up by a “socialist republican model” which for long had favored small enterprises (craft, agriculture, commerce) in the name of a “France of the small” and which was loath to give place to a mindset which was more open to “socio-economic competition”, to a more competitive market economy, to more powerful growth levers and thereby, factors of greater inequality.

B. The facets of a resurgent strategic entrepreneurship

Several forces came anyway to contradict these handicaps and *path dependencies*¹⁶ and to serve as solid proof of a resurgent strategic entrepreneurship.

a. From the SME to the large enterprise

A generation of SME owners seemed to have inherited a first foundation of productive and financial means as the tools for a revived entrepreneurial deployment, all the more because the transgenerational osmosis could take profit from the the extension of the previous generation till the 1950s. The new generation could thus take up the reins by benefitting from these acquisitions in a manner similar to that seen at the start of the second industrial revolution which saw the mobilisation of a financial and economic inheritance in several sectors (automobiles, tires, etc.).

In several branches, the “inheritors” of SMEs shook up the know-how passed on by their fathers or extended families. It is a current case study and at the origin of several major enterprises of today. The best examples come from the industries which linked the value-addition of the resources of a reforming and expanding agriculture to the tapping of an emerging consumer society. These entrepreneurs were at once inheritors and pioneers who changed the concept of the family business.

¹⁵ See Béatrice Touchelay, *L'État et l'entreprise. Une histoire de la normalisation comptable et fiscale à la française*, Rennes, Presses universitaires de Rennes, 2011.

¹⁶ Martin Stack & Myles Gartland, “Path creation, path dependency, and alternative theories of the firm”, *Journal of Economic Issues*, 2003, 37, pp. 485-492. Marie-Laure Djelic & Sigrid Quack, “Overcoming path dependency: Path generation in open systems”, *Theory and Society*, 2007, 36, n°2, pp. 161-186.

Thus, Besnier and Bongrain, in the Great West of Brittany and Normandy, or Bridel, in the Lorraine East, brought together a novel mix of know-how to transform the dairy industry by introducing more products with better value-addition, packaging adapted for mass-market retailing at the turn of the 1960s, and the creation of brand identities such as *Président* (Besnier), *Caprice des dieux* (Bongrain) and *Bridel*. They were innovators in that they researched the value-addition of the product, the range of cheeses and other milk products, incorporated the latest marketing techniques, and understood how to relate with the central purchasing departments of distribution companies. They broke away from their heritage because their local or regional company had access to the national market. Similarly, in the North, the *Bonduelle* SME, in the business of canning vegetables since the 1930s, benefitted from the Bonduelle family managers' strategic entrepreneurship to build itself a corporate identity, a brand (*Bonduelle*) and a range of tinned and quick-frozen products on the national scale.

The market sector also provides a fine case study: the leader and pioneer of the “modern mass retailing” revolution started out as a SME in the Central-East as a joint venture by several families (Fournier, Badin-Defforey, already active in wholesale trade of foodstuff) before being transformed into the Carrefour hypermarket in 1963 in the Paris region¹⁷. Here indeed we find the sublimation of the strategic entrepreneurship – this “revolution” crowned the emergence of the consumer society, helped the suburbs turn into major agglomerations, saw the massive utilization of the automobile and completely changed consumer lifestyles. Its impact is even more striking when we consider that it pushed the traditional distribution companies into accelerating their own economic models (see below). Similarly, two innovators, Jack Francès¹⁸ and Jacques de Fouchier¹⁹, asserted their strategic entrepreneurship from the 1950s till the 1980s first in the margins of the banking system when they set up their own group of “specialised credits” (for consuming goods and lodging), before being legitimised by the Paris place and becoming co-heads of financial groups (Suez et Paribas).

b. Dedicated yet inventive business dynasties

In the strong and classical branches (textiles, clothing, automobile, etc.), a thriving community of business dynasties built the potential for reshaping the “economic model” that their companies – essentially the “large SMEs” or big enterprises – were founded on. A few textile dynasties of the North and the East, for example, as a factor of differentiation in entrepreneur spirit, understood the changes taking place in the consumer society and the constraints of the new leap in mechanisation – with a final stage being the modernisation of the production methods within large-scale factories. Their “firepower” gave them a competitive advantage which was translated into productivity gains and also by a move towards a concentration – within textile groups such as the DMC (which amalgamated companies from the North (ex-Thiriez) and the East (ex-Dollfus-Mieg & C^o) and Prouvost-Masurel (Northern companies). These groups varied in their raw materials and their range of finished and semi-finished products. Such reactivity gave them a second chance, across both generations of the post-War period.

Though we cannot provide statistical evidence, we can say that there are other cases too, in various industrial branches. A scion of the Riboud business family of Lyon, Antoine Riboud turned his large glass-making SME (Souchon-Neuvesel) into a major hub of modernisation and investment (Boussois-Souchon-Neuvesel-BSN) in order to cater to the growing needs of the automobile, housing and bottling industries. The group grew to the extent that it could compete against the venerable Saint-Gobain and even try to acquire it through a market offer in 1969. The Michelin dynasty²⁰ too did not rest on its laurels after having built up the leading French tire company (with about 5,000 employees).

In the face of growing competition from European firms (Dunlop, Pirelli), a new generation (epitomised from the 1960s by François Michelin) injected funds to remain competitive and, more importantly, shook up the manufacturing technology (longer-lasting radial tires). The result was that the company became a European actor and the center of a group (Kleber-Colombes, etc.).

¹⁷ Jean-Marc Villermet, *Naissance de l'hypermarché*, Paris, Armand Colin, 1991. Jean-Marc Villermet, *1959-1963. Au Carrefour d'une révolution. La naissance de l'hypermarché*, Chambéry, Université de Savoie, 1990. Hervé Paturle, *Marcel Fournier, l'hyperman*, Paris, Éditions La Martinière, 2005.

¹⁸ Hubert Bonin, *Suez. Du canal à la finance (1858-1987)*, Paris, Économica, 1987.

¹⁹ Jacques de Fouchier, *La banque et la vie*, Paris, Odile Jacob, 1989.

²⁰ André Gueslin (ed.), *Michelin, les hommes du pneu, 1889-1940*, Paris, Les Éditions de l'Atelier, 1993.

Similarly, in the auto industry, the Peugeot family, which had remained largely unaffected by the economic crisis of the 1930s (in contrast to Citroën, bought by Michelin in 1935) and the War years (in contrast to Renault, nationalised in 1945), successfully addressed its strategic dilemma²¹: the far-flung branches of the family, united by a holding company which gave them ultimate control, showed exemplary foresight by identifying and filling a “mid-upper class” niche (the 203, 403 and 404 models) which brought them substantial value-added revenue and gave them the required self-financing capacity for investing in their factories in the Central-East (Sochaux) and all along their automobile equipment network. This ‘aggiornamento’ of strategic entrepreneurship culminated in the buying out of Citroën in 1974 and Simca (from Chrysler) in 1978 and the consequent formation of a group capable of meeting Renault head-on.

The market sector shows evidence of entities capable of a similar strategic adaptation while around them a number of managers and families could not cope with the competition and economic shocks. The family which controlled the big Parisian store *Galeries Lafayette* and its provincial branches began a course of diversification in the 1930s (with the *Prisunic* chain of “popular stores”), the takeover of the big rival store *BHV (Bazar de l’Hôtel de ville)* and the provincial chain *Nouvelles Galeries* and the launch of an integrated consumer credit company (*Cofinoga*). Several other families in the same sector also showed a similar strategic entrepreneurship around large regional SMEs which grew thanks to the initiatives taken at the level of the large enterprises: they grew from a branch model (chain of small stores) towards the “American-style” free service – local mini-markets to supermarkets and finally to “French-style” hypermarkets. Families from Touraine (the Toulouse with Docks de France and *Mammouth*), Normandy (the Hallez, with *Continent*), St. Étienne (the Guichard, with Casino) and from the North²² (Ruche Picarde, etc.) succeeded in initiating a groundswell, sometimes by regrouping themselves or buying out competitors, but in every case by their investments in novel concepts and efficient managerial and distribution tools (central purchasing departments, management information systems, etc.)²³. These leaders swept away the competitors who lacked the flair and reactivity and, in the span of two decades, eliminated the traditional chain-store and set up an “economic model” where France reigned supreme.

c. Conceptual breakthroughs

This strategic restructuring also took place in the heart of the traditional branches, not only by the transmission of the torch of entrepreneurship, but also by taking it towards newer activities in a move towards “conceptual breaks”. Often, it was within the more ancient families that there arose a new strategic entrepreneurship which was radically different from what was inherited by the preceding generations. But what was transmitted was a share capital, a financial capital, a taste and a sense for business, corporate culture, etc. – and perhaps even an understanding of the risks of inaction.

Several conclusive case studies have been put together. Several dynasties of the North provide the best examples. The Mulliez family²⁴, specialising in spinning, had already set up a subsidiary for the retail sale of knitting threads under the *Phildar* brand as part of the trend towards chain stores which had begun in 1890-1930 and culminated in the post-War period. This shift from upstream to downstream gave the family first-hand knowledge of the retail trade. This explains how it could make full use of the opportunities offered by “modern retail” which had been developed in the 1960s by the groups which were already in the tertiary business. It is the lone example of a diversification towards the hypermarket (*Auchan*), all-out marketing, etc., but still always within the family – as several members of the new generation took part in this revolution of the 1960s and shared this strategic entrepreneurship which was at the origin of one of big groups of today, completely divorced from the industry.

²¹ Jean-Louis Loubet, *Citroën, Peugeot, Renault. Histoire de stratégies d’entreprises*, Boulogne, ETAI, 1999. Jean-Louis Loubet, *Automobiles Peugeot. Une réussite industrielle, 1945-1974*, Paris, Économica, 1990.

²² Pierre Caloin, *De l’Abeille au Mammouth, 1895-1995*, Amiens, Martelle Éditions, 1995.

²³ Emmanuel Chadeau, “Mass retailing: A last chance for the family firm in France, 1945-1990?”, in Youssef Cassis, François Crouzet & Terry Gourvish (eds.), *Management and Business in Britain and France. The Age of the Corporate Economy*, Oxford, Clarendon Press, 1995, pp. 52-71.

²⁴ Benoît Boussemart, *Le groupe Mulliez, 2006-2011. Pour en finir avec le conte familial*, Paris, Estaimpuis, 2011.

Similarly, the northern textile industry introduced mail-order selling (La Redoute, launched by the Pollet family²⁵; Les Trois Suisses by the Toulemonde) in a gradual move from upstream activities (spinning, gradually abandoned) to downstream activities (mass-retail of clothing) and a reorganisation of the production system by outsourcing manufacturing directly under the distributor.

Along with family firms (and the public sector), other companies belonging to the “managerial” world also underwent a strategic molting. They too were carriers of a strategic entrepreneurship even though it was the managers and the boards of directors which were the transmitters. A number of firms could not handle the growth pangs and failed to bring together competitors or become co-leaders of their branch – at a time when the government policy was to establish “French champions” with two or a very small number of big firms in every branch who would be capable of taking on the “American challenge”²⁶, brave the opening of the country’s borders (Common Market, GATT) and especially, have the capacity of more or less auto-financing their growth. It is this “differentiation” factor which separated the companies which lacked strategic entrepreneurship from those which used it to become such “champions”. Historians, including us, have constantly pointed to companies “which were sleeping” or “dozing”, whose economic model was crumbling because of a lack of conceptual renewal, who delayed incorporating technical progress (like Saint-Gobain²⁷ with float glass). On the other hand, despite their age, there were companies which looked for innovations and rapidly incorporated them, like Air liquide²⁸ in industrial gases, when the new oxygen technology revamped the market.

A majority of French overseas companies did not survive the transition from a crumbling colonial world to a competitive economy²⁹. A slew of SMEs and large companies in Sub-Saharan Africa and the Maghreb were reduced or disappeared altogether because they could not adapt to the new post-independence politico-economic environment or could not maintain their overseas positions while successfully redeploying and diversifying within France. The rate of attrition was enormous, and only those managers who had the foresight and the necessary strategic entrepreneurship succeeded in this difficult transformation which entailed a breaking away from cognitive references inherited from the “old” economy. We have described in detail the *Compagnie française de l’Afrique occidentale*’s (CFAO) evolution. A trade specialist, it completely revamped its course of action in sub-Saharan Africa (concentrating on technological trade, textiles with greater value addition and automobiles) while duplicating its know-how in France itself from the 1950s (supermarkets, technological trade) in direct competition with its rival, *Société commerciale de l’Ouest africain* (SCOA), which was following the same route. Both these companies had managers with strong personalities, discernment and dynamism and who were instrumental in their metamorphosis (especially, Léon Morelon at CFAO in the years 1940-1970).

Similarly, *Compagnie du canal de Suez* (shorn of its canal in 1956) and *Banque de l’Indochine* (gradually driven out of Indochina from the mid-1950s), also successfully followed a strategy of reconversion within mainland France around a handful of stable managers (Jacques Georges-Picot, at Suez, between 1937/1944 and 1971; François de Flers at *Banque de l’Indochine*, in the years 1950-1970) who were “anxious” for the survival of their house and thus against any conservative or “lethargic” management of the assets inherited from their overseas business which had been transferred or accumulated in France. A major “financial group” was formed under the name of *Compagnie financière de Suez*³⁰ which federated merchant banks, investment and asset management companies and specialized credit companies (consumer credit, mortgage, leasing).

²⁵ Francis Petit, Jacqueline Grislain & Martine Le Blan, *Aux fils du temps. La Redoute*, Paris, Robert Laffont, 1985.

²⁶ See Hubert Bonin, “First American firms coming to France (from the 1900s to the 1930s)” (pp. 71-102) ; “Equipment goods and mass brands American business spreading modernity into France? Strategies, identity and perception (from the 1940s to the 1980s)” (pp. 503-648), in Hubert Bonin & Ferry de Goey (eds.), *American Companies in Europe (1890-1980). Strategy, Identity, Perception and Performance*, Geneva, Droz, 2008.

²⁷ Jean-Pierre Daviet, *Une multinationale à la française. Histoire de Saint-Gobain, 1665-1989*, Paris, Fayard, 1989. Maurice Hamon, *Du soleil à la terre. Une histoire de Saint-Gobain*, Paris, Jean-Claude Lattès, 1988.

²⁸ Alain Jemain, *Les conquérants de l’invisible. Air liquide, 100 ans d’histoire*, Paris, Fayard, 2002. Fabienne Waks, *100 ans de conquêtes : l’aventure d’Air liquide*, Paris, Textuel, 2002.

²⁹ Jacques Marseille, *Empire colonial et capitalisme français. Histoire d’un divorce*, Paris, Albin Michel, 1984 (reprinted in 2004).

³⁰ Hubert Bonin, *Suez. Du canal à la finance (1858-1987)*, Paris, Économica, 1987.

Éric Bussière, *Paribas, l’Europe et le monde, 1872-1992*, Anvers, Fonds Mercator, 1992.

It henceforth came in direct competition with Paribas, *Banque de l'union parisienne* (till its buy-out by Suez in 1967, then by Paribas in 1973) and *Banque de l'Indochine*, also transformed into a merchant bank and financial group – before its merger with *Banque de Suez & de l'union des mines* to form *Banque Indosuez* in 1974. The concept of the “financial group”, somewhat similar to the American “financial conglomerate” of the same era, was an efficient economic model, well suited to accompany the changes taking place in the corporate and merchant bank and especially, those of client and financed enterprises. Consequently, we can clearly see the existence of a real strategic entrepreneurship in these houses. This characteristic was not confined to industry or trade only, but also touched banking and finance.

d. Pioneering entrepreneurs

And then there were the “pioneers” – self-made men who broke through the classic molds of their domain and showed themselves to be leaders of innovation and investment. They succeeded in identifying technological “niches” (defense electronics for the Matra group³¹, created by Sylvain Floirat and developed by Jean-Luc Lagardère; reinforced concrete and other specialities for Francis Bouygues in construction-public works; aeronautics for Dassault, launched by Marcel Dassault³², setting up a new company after the previous one had been nationalised in 1936 and himself deported to Germany during WWII), market prospects (national rearmament for Matra and Dassault, urbanisation and development for Bouygues) and local or national public financing. This allowed them to transform their young enterprises into solid groups and set them up as co-leaders in their domain by the 1970s.

Other pioneers found great potential in the wake of the consumer revolution and positioned themselves on the consumer goods market. Having already established his enterprise in the 1930s, Jean Mantelet added the electronic motor to his range of small home appliances in the 1950s and turned his company Moulinex into a leader for the promotion of a modern home lifestyle³³. He was imitated by a Burgundian family (Lescure) which, starting from pressure cookers, transformed its SME and its brand, *Seb*³⁴, into a Moulinex competitor. The entrepreneurial spirit of these two companies dotted the land with a host of factories with, for example, Moulinex having a dozen in Normandy. National in scope, the companies far outstripped the smaller, regional and traditional companies hemmed in their locality and either bought over by diversified groups (such as Thomson-Brandt or Philips), or acquired by Seb itself (Tefal, Calor, both in the Rhône-Alps region). The same trend can be seen in the spirits and alcohol sector, where hundreds of SMEs collapsed while those family-run businesses which could avail of a strategic entrepreneurship quickly identified the relevant economic model and positioned themselves as federators of their branch like Pernod-Ricard³⁵ (the result of a merger initiated by the Ricard family³⁶, which renewed the brand concept and assimilated the marketing before the others) or, at another level, like Marie-Brizard of the Gironde (with two family branches³⁷).

Thus we see that a revitalisation of French capitalism did indeed take shape, without any “lethargy” in initiative or “decline” in the strategic entrepreneurship. At the scale of these large SMEs, the capitalist vigor was renewed in the decades 1950-1970 when a series of new technologies reintroduced the concept of research and development in the commercial, financial and even legal portfolios (for the negotiation of contracts with public authorities, in defense, aeronautics, or construction and public works).

Meanwhile, in parallel with this capitalist “resurrection”, cooperative entities also took part in the strategic entrepreneurship’s revival.

³¹ Claude Carlier, *Matra, la volonté d'entreprendre. De Matra à EADS*, Paris, Éditions du Chêne-Hachette, 2003.

³² Claude Carlier, *Marcel Dassault : la légende du siècle*, Paris, Perrin, 1992. Claude Carlier & Luc Berger, *Dassault, 1945-1995, 50 ans d'aventure aéronautique*, two volumes, Éditions du Chêne-Hachette, 1996. Emmanuel Chadeau, *L'industrie aéronautique en France, 1900-1950*, Paris, Fayard, 1987.

³³ Tristan Gaston-Breton & Patricia Defever-Kapferer, *La magie Moulinex*, Paris, Le Cherche-Midi, 1999.

³⁴ *Seb, 1953-2003. La cocotte traverse le temps*, Paris, Textuel, 2003. Denis Mazzucchetti, Boris Dänzer-Kantof & Félix Torres, *Chroniques du bien vivre. Les 150 ans du groupe SEB*, Paris, Félix Torres Editor, 2007.

³⁵ *Pernod-Ricard. D'un siècle à l'autre en 25 marques*, Paris, Textuel, 1999.

³⁶ Jean Domenicho, Xavier Daumalin & Jean-Marie Guillon, *Paul Ricard et le vrai pastis de Marseille*, Marseille, Jeanne Laffitte, 2009.

³⁷ Hubert Bonin, *Marie Brizard (1755-1995)*, Bordeaux, L'Horizon chimérique, 1995.

Though the cooperative economy in France never attained to the dimensions of its counterpart in the Netherlands, the Spanish Basque Country or Denmark, the French cooperative movement could also boast of an increasingly more powerful and dynamic strategic entrepreneurship.

In fact, the double heritage, part socialist, part Social-Christian of the years 1930-1940 gave rise to the proliferation, the merger or the creation of large cooperative SMEs in several regions when the locals decided to extract much more value addition from their products. The majority of these cooperatives remained fragmented and inefficient (Bordeaux vineyards, dairies, etc.). But several dozens (in the West, the *Massif central*, the North, the Paris Basin and the South-West) managed to overcome their “parochialism”, their territorial quarrels and power struggles to establish efficient companies. They too were proof of a strong strategic entrepreneurship, supported by an equally strong spirit of persuasion on the part of their sometime charismatic leaders who succeeded in convincing their communities to accept the re-arrangements and methods required for having a sufficient cash flow. In fact, the small factories had to be regrouped into large establishments, assemble the warehouses and sales forces, sometimes create brands to access the purchase departments of the big retail outlets and standardise management tools. This process took shape in the post-war decades, particularly in the grain trade, in the transformation of livestock products, the supply of intermediate consumption products (fertilizers, seeds, grain trade³⁸) and especially in dairy. Nevertheless, fragmentation remained strongly entrenched throughout the 1970s, with only a handful of groups emerging to symbolize this cooperative strategic entrepreneurship: at the national level, there was Sodima-Sodiaal³⁹, a federation of regional cooperatives dealing in cheeses, yoghurt (*Yoplait*) and milk (*Candia*), a few cooperatives in Normandy (ULN⁴⁰) and Brittany and the *Alliance agro-alimentaire-3A* in the South-West (cheese and milk products)⁴¹. It was a “shared” entrepreneurship, borne by “enlightened” and member peasants and managers who wanted to bring in management methods in the domain of agriculture to be able to stand up to capitalist groups.

* We knew that the “*Trente Glorieuses*” (the post-war economic boom) had been a “*Belle Époque*” as regards the growth and vitality of French enterprises – to the extent that experts described France as the “South Korea of Europe”. But a large part of this “expansion” was due to the nationalised and public sectors and the large industries established during the first decades of the second industrialisation, while the mass of small producers fought among themselves to get a chance of participating in this movement. Also, a number of experts were against opening France to European and international competition because they thought that the majority of SMEs would not be able to cope with it and the collapse of the colonial empire – which sometimes led to some hostility⁴² towards a “growth in an open economy”.

Still, in the 1950s and 1960s, regional or Parisian business dynasties, pioneers and cooperative members showed an undeniable strategic entrepreneurship. They re-launched efforts at innovation and investment and, more importantly, injected a new economic model in their branch of activity. While the vast majority of enterprises took part in the growth by mobilizing their classic production methods and by “modernising” them, and while foreign investments stirred up internal competition, several hundreds of proprietors and managers turned themselves into the vanguard of a strategic entrepreneurship which was quite different from a simple dynamism because it broke away from the classic modes of thinking. A number of them also took part in an intense “moment” of enterprise creation⁴³. We might also tackle the issue of big enterprise, of the companies inherited from the first stage of the second industrial revolution, and of their ability to foster entrepreneurship. Arguments are still hot thereabout.

³⁸ Fabienne Gambrelle, *La coopération en mouvement. Mémoire de la coopération céréalière du Berry-Nivernais, 1937-1997*, Bourges, Épis-Centre & Public Histoire, 1997.

³⁹ Félix Torres, *SODIAAL. Mémoires de lait. Une saga de la coopération laitière*, Paris, Albin Michel, 1994. Gérard Deshayes, *ULN. La mutation exemplaire d'une entreprise coopérative, l'Union laitière normande*, Paris, Skippers, 1990.

⁴⁰ Félix Torres, *SODIAAL. Mémoires de lait. Une saga de la coopération laitière*, Paris, Albin Michel, 1994. Gérard Deshayes, *ULN. La mutation exemplaire d'une entreprise coopérative, l'Union laitière normande*, Paris, Skippers, 1990.

⁴¹ Hubert Bonin, *Les coopératives laitières du grand Sud-Ouest (1893-2005)*, Paris, PLAGÉ, 2005.

⁴² Matthias Kipping, *La France et les origines de l'Union européenne, 1944-1952. Intégration économique et compétitivité internationale*, Paris, Comité pour l'histoire économique et sociale de la France, 2002. Marine Moguen-Toursel, *L'ouverture des frontières européennes ? Fruit d'une concertation avec les industriels ?*, Berne, Peter Lang, 2002.

⁴³ Jacques Marseille (ed.), *Créateurs et création d'entreprises de la révolution industrielle à nos jours*, Paris, ADHE, 2000.

But, along our logics of analysis, it would be easy to pick up a panel of businessmen, even sometimes charismatic ones, who bolstered a renewal and a dynamism answering our initial patterns. Even if they were coming out of the “grands corps” of engineers and from the State economic apparatuses, a majority did follow a long career within their corporation and thus could achieve their « project for transformation»⁴⁴. They could therefore reorient the business model, the innovative capability, the commercial practices within their industry, like the heads of Renault⁴⁵, SNPA-Pétroles d’Aquitaine and Sud-Aviation, in the public sector, or of Alstom⁴⁶, Pechiney, Schneider⁴⁷ and Pont-à-Mousson⁴⁸, in the private sector, for example. But we are aware too that numerous poles of dynamism had often been affiliates of several groups (chemicals⁴⁹, steel manufacturing⁵⁰), whereas factors of inertia were prevailing within the conglomerates and, mainly, that cartellisation put brakes to a real competition in many heavy industries.

2. The shock of the years 1970-1990 and the crisis of strategic entrepreneurship

The sharpness of the debates regarding the crisis of French entrepreneurship in the years 1970-1990 and also recently, shows that experts continue to question the creative vitality of a country which has suffered, like the others, from recessions, especially the “long crisis” of the transition between the second and third industrial revolutions and of adapting to intra-European (with the inclusion of central and east-European countries into the capitalist production system) and pan-world globalisations. Thus, further thought needs to be given to the “decline”⁵¹, if not the “decadence”, of the French economy which, one suspects, lacked dynamism while the major players are accused of inertia and a lack of comprehension regarding the issues involved in the new globalized economy. The second wave of nationalisations in 1982 was thus justified by the left by pointing at the incapacity of the large enterprises and financial groups to react quickly and strongly enough to meet the challenges posed by the competition. And once again, the government had to step in and play the “savior” when faced by the country’s lack of competitiveness and the surge in underemployment. The “industrial policy” laid out by the powers-that-be seems to have dominated a reorganisation of the structures and strategies of the large firms, while many more public funding streams opened up because of the demand of SMEs in the course of being renovated.

A. The death of strategic entrepreneurship?

Unfortunately, a number of high quality publications and official reports⁵² have accumulated a succession of analyses, rather descriptive, recounting the mutations of enterprises and branches or reported selective “balance sheets” without their being scrutinized by “history” and made “sense” of from a long-term perspective. Thus, we still lack a proper understanding of the erosion of the strategic entrepreneurship and our study remains hypothetical in nature.

⁴⁴ We thank Hervé Joly to have drawn our attention about this reality.

⁴⁵ Cyrille Sardais, *Patron de Renault. Pierre Lefaucheur (1944-1955)*, Paris, Presses de Sciences Po, 2010. Pierre Dreyfus, *La liberté de réussir*, Paris, Jean-Claude Simoën, 1977.

⁴⁶ Jacques Marseille (dir.), *Alcatel-Alstom. Histoire de la Compagnie générale d’électricité*, Paris, Larousse, 1992.

⁴⁷ Tristan de la Brosse & Félix Torres, *Schneider, l’histoire en force*, Paris, Jean-Pierre de Monza, 1996.

⁴⁸ Roger Martin, *Patron de droit divin...*, Paris, Gallimard, 1984.

⁴⁹ Pierre Cayez, *Rhône-Poulenc, 1895-1975. Contribution à l’étude d’un groupe industriel*, Paris, Armand Colin-Masson, 1988.

⁵⁰ Éric Godelier, *De la stratégie locale à la stratégie globale : la formation d’une identité de groupe. Usinor, 1948-1986*, Paris, EHESS, 1995.

⁵¹ François Caron, *Le résistant déclin des sociétés industrielles*, Paris, Perrin, 1985.

⁵² *La situation de l’industrie française en 1971. Rapport au Comité interministériel de politique industrielle*, Paris, National Institute of Statistics and Economic Studies, 1973. Daniel Malkin & Jean-Louis Sarbib, *Problématique d’une stratégie industrielle : premières réflexions*, Études de politique industrielle, 1, Paris, La Documentation française, 1974. *L’industrie française de la machine-outil : perspectives d’évolution*, Industrial policy studies, Ministry of Industry and Research, 13, Paris, La Documentation française, 1976. Ministry of Industry and Research, *Perspectives de la localisation internationale des activités industrielles*, Industrial policy studies, 10, Paris, La Documentation française, 1976. *La division internationale du travail*, volume 1, *Les tendances actuelles*, Industrial policy studies, 9, Paris, La Documentation française, 1976. *La division internationale du travail*, volume 2, *Trois scénarios prospectifs*, Industrial policy studies, 9, Paris, La Documentation française, 1976. Commission du bilan, *La France en mai 1981*. volume 1 : *Forces et faiblesses*. Volume 2 : *Les activités productives*, Paris, La Documentation française, December 1981. “Les nouveaux enjeux de la compétitivité”, introduction to: Bertrand Bellon & Jean-Marie Chevalier (dir.), *L’industrie en France*, Paris, Flammarion, 1983. Jean-Marcel Jeanneney (ed.), *L’économie française depuis 1967. La traversée des turbulences mondiales*, Paris, Seuil, 1989. Institut d’histoire de l’industrie, *L’industrie française face à l’ouverture internationale*, Paris, Economica, 1991. Robert Boyer, *Heurs et malheurs de l’industrie française, 1945-1995 : essor et crise d’une variante étatique du modèle fordiste*, Paris, CEPREMAP, 1998.

During the “long crisis”, large swathes of family and/or local enterprises were swept away by the tsunami of competition in both consumer (textiles and clothing, footwear and leather) and capital goods (mainly foundries, machine-tools). As yet no historian has actually evaluated the collapse of the big dynasties in the North and Alsace⁵³ towards the end of the 20th century. How to explain the disappearance of so many “big names” of the North⁵⁴ (for example Motte, failed in 1983) into some sort of “black hole” which also swallowed so many medium- and large-scale enterprises, like in Roubaix⁵⁵, which had prospered during the post-war economic boom by benefiting from the growing consumerism? This “black hole syndrome” has also been observed in a number of other regions and branches, as though a “historic necessity” imposed a brutal and sudden retreat on a management that had been denuded of reactivity or had misjudged the unfolding phenomena, leading to the collapse of the strategic entrepreneurship. The lack of a renewal of family dynasties or the ageing of the managerial team or manager (Mantelet at Moulinex, Boussac at Boussac-Saint-Frères) were only secondary factors compared to the lack of understanding of the changes taking place.

At the same time, there also arose “winners” from the “economic Darwinism” that prevailed in the years 1970-1980, mainly via the purchase of sick companies. Some managers turned out to be perceptive strategists and astute entrepreneurs. They federated productive assets in foundries, small metal processing plants, textiles and clothing, construction equipment (Potain-Poclair⁵⁶, etc.), and naval repairs (Terrin in Marseille⁵⁷) mainly. Extolled by authorities on the hunt for capitalists who would be able to infuse new life into the wilting branches and by bankers, experts and local representatives who wanted to recreate credit, production and employment opportunities, these federating purchasers set up groups whose size looked attractive for several years. The textile industry was the most touched by these initiatives: the four Williot brothers (Boussac-Saint-Frères/Agache-Willot⁵⁸) with family-type management, Christian Derveloy (Prouvost-Masurel), André Duplan (DMC), Jérôme Seydoux (Chargeurs) or Léon Cligman (Devanlay)⁵⁹ with a professional management, created groups which were quickly swept away because of a lack of competitiveness, productivity and profitability.

They assembled factories, product ranges and brands into ill-assorted groups and presided over their decline by successive closures and liquidation of assets. And despite the celebrity status of their “federators” within the business community, metal processing plants and foundries went through the same cycle. Only a small fraction of these asset purchasers showed, if not entrepreneurship, at least a sharp business sense – they worked these land, real estate, moveable or financial assets to extract funds in order to either fill the coffers of the acquired and merged companies, or to enrich others in their control – which led to litigations regarding the misappropriation of corporate assets....

Meanwhile, the large groups, private to begin with and later nationalised, then re-privatised – such as Pechiney, Thomson, CGE-Alstom, Rhône-Poulenc, etc.⁶⁰ – saw, at the turn of the 1980s, a succession of “reformist” management teams pleading the necessity of creating a new “economic elite” who would further the famous “industrial policy” or the “reindustrialization” of the country in the face of the American, Japanese and German “peril”.

⁵³ For the previous period, see: Michel Hau, “La longévité des dynasties industrielles alsaciennes”, *Le Mouvement social*, July-September 1985, n°132, pp. 9-25. Michel Hau & Nicolas Stoskopf, *Les dynasties alsaciennes*, Paris, Perrin, 2005.

⁵⁴ Pierre Pouchain, *Les maîtres du Nord, du XIX^e siècle à nos jours*, Paris, Perrin, 1998.

⁵⁵ Jacques Bonte, “Roubaix-Tourcoing : le déclin du premier centre mondial du peigné”, in Giovanni Luigi Fontana & Gérard Gayot (eds.), *Wool: Products and Markets (13th-20th Centuries)*, Padova, CLEUP, 2004, pp. 901-906.

⁵⁶ “Poclair : une réussite et une faillite exceptionnelles”, in Élie Cohen, *L'État brancardier : les politiques du déclin industriel, 1974-1984*, Paris, Calmann-Lévy, 1989, pp. 90-95.

⁵⁷ See Laurence Américi & Xavier Daumalin, *Les dynasties marseillaises de la Révolution à nos jours*, Paris, Perrin, 2010, pp. 285-308.

⁵⁸ Benoît Boussemart and Jean-Claude Rabier, *Le dossier Agache-Willot*, Paris, Presses de la FNSP, 1983. “Boussac : les promesses n’engagent que ceux qui les écoutent”, in Élie Cohen, *L'État brancardier, op.cit.*, pp. 199-214.

⁵⁹ “Devanlay : État mécène et affaires de famille”, in Élie Cohen, *L'État brancardier, op.cit.*, pp. 215-222.

⁶⁰ See: Michel Beaud, Pierre Danjou & Jean David, *Une multinationale française. Pechiney Ugine Kuhlmann*, Paris, Seuil, 1975. Tristan de la Broise & Félix Torres, *Schneider, l'histoire en force*, Paris, Jean-Pierre de Monza, 1996. Jacques Marseille (ed.), *Alcatel-Alstom. Histoire de la Compagnie générale d'électricité*, Paris, Larousse, 1992. Fabienne Gambrelle & Félix Torres, *Innover pour la vie. Rhône-Poulenc, 1895-1995*, Paris, Albin Michel, 1995. Pierre Cayez, *Rhône-Poulenc, 1895-1975. Contribution à l'étude d'un groupe industriel*, Paris, Armand Colin-Masson, 1988.

No doubt, all the bigger industrialised nations had faced the same challenge of having to restructure its “rusty” industrial fabric (to borrow from the American phrase “rust belt”). But France, in its attempt at promoting the “new elite”, either under Prime Minister Raymond Barre’s Neo-Gaullist right in 1976-1981, or under the reformist Left in 1981-1986, was practically the only one to believe that “fighting spirit” (“*volontarisme*”), mixing support by the State and redesigning of the business model, would be sufficient, that a “better management” of industrial or financial conglomerates would improve, by some sort of “industrial Meccano”, the country’s competitiveness – and even the detractors of financial groups nursed this hope by attributing them with super-powers⁶¹ to help restructure a few decaying industries (machine-tools, mechanics, automotive parts, paper, etc.).

Moreover, these new managers, who had all been high officials in the State’s economic apparatus⁶², shared the same set of beliefs which allowed them to be maneuvered efficiently.... People even thought that the government could bring about a technological revolution, in electronics, by mixing public investment, research and academic development within protected markets: incontestable successes (Alcatel for telecommunications equipment, Framatome and Cogema for the nuclear sector, CFP-Total and Elf-Aquitaine for the petroleum branch⁶³, Bull-CII or Cap Gemini in IT hardware⁶⁴ and software) were reached by firms which acted in the heart of the “protected economy”, rich in parapublic orders, and capitalistic or political support⁶⁵. Anyway, what we could retrospectively call an illusion could stem from the “counter-model” of our critical analysis, the managerial and strategic plan drawn at the European scale around the *Airbus*, and later, the EADS⁶⁶ program, in which a “European” strategic entrepreneurship had taken shape, while an identical route had led to a dead end in the IT industry⁶⁷.

Alas, managerial aggressiveness and dynamism by itself could not make up for the lack of a genuine strategic entrepreneurship, and all the groups, whether public or private, finally proved to be unmanageable, paralyzed by internal rigidities, weighed down by unproductive assets, jammed by sectorial paradigms which had become obsolete due to the revolution in the technological, production and competitive environment. This explains the collapse of these groups, either by resounding crashes (Creusot-Loire, with repercussions on its parent company

⁶¹ Bertrand Bellon, *Le pouvoir financier et l'industrie en France*, Paris, Seuil, 1980.

⁶² See, for example: Michel Bauer & Élie Cohen, *Qui gouverne les groupes industriels ? Essai sur l'exercice du pouvoir du et dans le groupe industriel*, Paris, Seuil, 1981. Jane Marceau, “Plus ça change, plus c’est la même chose: Access to elite careers in French business”, in Jolyon Holworth & Philip Cerny (eds.), *Elites in France: Origins, Reproduction and Power*, London, 1981. Michel Bauer & Bénédicte Bertin-Mouroit, *Les 200. Comment devient-on un grand patron ?*, Paris, Seuil, 1987. Bruno Belhoste (ed.), *La France des X, deux siècles d'histoire*, Paris, Économica, 1995.

⁶³ Pierre Péan & Jean-Pierre Séréni, *Les émirs de la République. L'aventure du pétrole tricolore*, Paris, Seuil, 1982. Emmanuel Terrée et Alain Beltran, *Elf Aquitaine, des origines à 1989*, Paris, Fayard, 1998. IFP, *Terre d'innovations. 1944-2000. Histoire de l'Institut français des pétroles*, Rueil-Malmaison, 2000. André Nouschi, *La France et le pétrole*, Paris, Picard, 2002.

⁶⁴ Chantal Le Bolloc’h, “La politique industrielle française dans l’électronique, des années 1960 à nos jours”, *Économie & Humanisme*, 1987, pp. 47-59. Hubert Bonin, “L’informatique française en quête d’entrepreneurs et de marchés (1963-1983)”, *Revue historique*, n°567, 1988, pp. 53-89. Chantal Le Bolloc’h-Puges, *La politique industrielle française dans l’électronique : de l’émergence de l’industrie à la fin de la décennie quatre-vingt*, Logiques économiques, Paris, L’Harmattan, 1991. Marie-Dominique Leclère, Patrice Carré & Félix Torres, *France Telecom, Mémoires pour l’action*, Paris, France Télécom, 1995.

⁶⁵ Cf. Élie Cohen, *Le colbertisme « high tech »*, Paris, Hachette, 1992.

⁶⁶ Emmanuel Chadeau, *Airbus : un succès industriel européen : industrie française et coopération européenne 1965-1972*, Paris, Institut d'histoire de l'industrie & Éditions Rive Droite, 1995. Gérard Maoui, *Aérospatiale*, Series “Ciels du monde”, Paris, Le Cherche Midi Éditeur, 1989. Pierre Sparaco, *Airbus : la véritable histoire*, Toulouse, Privat, 2005. Pierre Müller, *Airbus, l'ambition européenne : logique d'État, logique de marché*, Paris, L’Harmattan & Commissariat général au Plan, 1989.

⁶⁷ Susanne Hilger, “The European enterprise as a 'fortress'. The rise and fall of Unidata. Between Common European market and international competition in the early 1970s”, in Harm Schröter (ed.), *The European Enterprise. Historical Investigation into a Future Species*, Berlin, Springer, 2008, pp. 141-154. E. Kranakis, “The rise and fall of Unidata”, in Pascal Griset (ed.), *Informatique, politique industrielle, Europe: entre Plan calcul et Unidata*, Paris, Rive droite, 1998, pp. 151-161. E. Kranakis, “Politics, Business, and European information technology policy: from the Treaty of Rome to Unidata, 1958-1975”, in Richard Coopey (ed.), *Information Technology Policy. An International History*, Oxford, Oxford University Press, 2004, pp. 209-246.

Schneider, Boussac-Saint-Frères, the iron and steel industry, Rhône-Poulenc, a majority of the chemicals sectors, which Pechiney-Ugine-Kühlmann or Pechiney had to restructure, or chemical textile for Rhône-Poulenc, etc.), or by the insidious erosion of their auto-financing capacity.

They all lacked the required “strategic agility” and lucidity to begin a sectorial redeployment. All chances of a strategic entrepreneurship renaissance had been snuffed out *ex ante*, but the historian must admit that the experts realized that only *ex post*, while the State, *in fine*, could only play the role of a “stretcher bearer”⁶⁸ by organizing as far as possible job cuts, closures and bailouts. The State, as Commanding Officer of the “great industrial maneuvers”⁶⁹, was tilting at windmills à la Don Quixote as regards any fundamental redeployment of the economy and the construction of viable enterprises, as though the model hammered out during the Reconstruction and planning⁷⁰, which was later consolidated by Gaullist resoluteness (as in the nuclear, petroleum and gas sectors), was still pertinent in a competitive environment at the European and world levels and “growth in an open economy”⁷¹. Even if a few of them recovered their margin for manoeuvre somewhat quickly (Schneider, Rhône-Poulenc, Saint-Gobain, CGE, etc.), but only after after having been rid of their “dead dogs” through a gigantic restructuration and an intense rationalisation of industry, and at a price of billions of francs in losses and dozens thousands redundancies.

3. A revival of strategic entrepreneurship at the turn of the 21st century?

Faced by such an accumulation of *weaknesses* (to reintroduce the SWOT matrix), experts at the turn of the century were gripped by a collective fear: would France fall prey to entrepreneurial malthusianism? Would she again lose ground in the face of the growing European and global competition? Why would she be incapable of imitating the “German” or “Rhenan”⁷² models, so rich in medium-large enterprises brimming with innovations and solid value-addition? Or the Californian model which was so well suited to entrepreneurial inventiveness? Or the Italian and Basque models with their agile and reactive industrial districts⁷³? Once again, faced by such *threats*, enterprises were confronted by the reality of their skills and trade portfolio in order to conceive of an efficient “international position”, especially in Europe⁷⁴. As it happened in a number of countries, the belief in the virtues of liberalisation⁷⁵, the private sector (with the consequent privatizations from 1986 on) and competition (especially within the European Union – for public utilities for example) carried the day because it encouraged free enterprises’ capacity of detecting *opportunities* offered by the third industrial revolution, the global restructuring of the upper and middle-class markets, the integration of production and logistical systems and thus to reset France’s place in the international division of labor within the globalisation⁷⁶. Henceforth, the new strategic entrepreneurship would consist in identifying the “*strengths*”.

⁶⁸ Élie Cohen, *L’État brancardier : les politiques du déclin industriel, 1974-1984*, Paris, Calmann-Lévy, 1989.

⁶⁹ Élie Cohen & Michel Bauer, *Les grandes manœuvres industrielles*, Paris, Belfond, 1985.

⁷⁰ See Henry Rousso (ed.), *La planification en crise (1965-1985)*, Paris, Éditions du CNRS, 1987.

⁷¹ See Hubert Bonin, “Les vertus de l’économie ouverte ?”, in Bertrand Blancheton & Hubert Bonin (eds.), *La croissance en économie ouverte (XVIII^e-XXI^e siècles). Hommages à Jean-Charles Asselain*, Brussels, Peter Lang, 2009, pp. 13-42.

⁷² Michel Hau, “Y a-t-il un capitalisme rhénan ?”, in Jacques Marseille (ed.), *L’industrialisation de l’Europe occidentale (1880-1970)*, Paris, ADHE, 1998. Nicolas Stoskopf, « Les processus d’extinction et de renouvellement dans le capitalisme alsacien après la seconde guerre mondiale », in Michel Hau (ed.), *Regards sur le capitalisme rhénan*, Strasbourg, Presses universitaires de Strasbourg, 2009, pp. 33-40.

⁷³ Bjorn Asheim, Philip Cooke & Ron Martin (eds.), *Clusters and Regional Development. Critical Reflections and Explorations*, Londres, Routledge, 2008. Ron Martin, Michael Kitson & Peter Tyler (eds.), *Regional Competitiveness*, Londres, Routledge, 2008. Philip Cooke & Andrea Piccaluga (eds.), *Regional Development in the Knowledge Economy*, London, Routledge, 2008.

⁷⁴ Harm Schröter (ed.), *The European Enterprise. Historical Investigation into a Future Species*, Berlin, Springer, 2008.

⁷⁵ Bruno Jobert (ed.), *Le tournant néo-libéral en Europe*, Paris, L’Harmattan, 1994.

⁷⁶ See Geoffrey Jones & R.D. Wadhvani (eds.), *Entrepreneurship and Global Capitalism*, Williston, Edward Elgar, 2008 (collection of studies).

A. Re-injecting strategic entrepreneurship in the large enterprise

Left to fend for themselves, potential targets or victims of hostile takeovers (Elf-Aquitaine, Pechiney, Paribas, etc.), subject to pressure from ever-more demanding institutional stockholders and desperate to avoid a crash (like Creusot-Loire in 1986, or, almost, Alstom in 2003), the large enterprises were compelled to “reinvent themselves” while the majority of their managers had to abandon the certitudes forged from the standpoint of the “elite à la française”, especially as, in the name of competition within the European Union, they had lost the protection of the “economic patriotism”.

Without delving too deep into any sort of hagiography, we can say that newer teams or new owners brought in a new strategic entrepreneurship, that is to say, they defined a new “corporate organisation” inspired by consultants⁷⁷, collective thought, international comparisons and the movement of directors between companies, in order to rebuild a portfolio of strategic activities adapted to the skills and business portfolio and to assert a “differentiation” capable of ultimately providing a good self-financing capacity.

In fact, the strategic entrepreneurship was not confined solely to SMEs or family enterprises. The reform of French capitalism included a resetting of internal structures, a concentration on profitable or promising assets, a greater emphasis on the returns on committed resources and a re-acculturation of human resources in a new “business logic”⁷⁸ fashioned empirically with advances (trial and error along the length of innovative networks), failures and setbacks (sale of assets, pruning networks, recentering, etc.). The main vehicle of this strategic entrepreneurship was the “learning enterprise”⁷⁹, supple and reactive. This growth formed part of a general thinking on the country’s capacity to foster elites who were “open” to a strategic and managerial “management of change” and thus to the “modernisation” of management training in France and improving the technical education of the mid-level recruits and on the potentially of the “competence market”⁸⁰. In fact, any deployment of the strategic entrepreneurship was totally dependent on the “human” factor (at the top and within the teams in charge of the projects), which raised the question of the “quality” of the “grey matter” available for the “great transformation” of French capitalism. But several handicaps (weaknesses) could have put a spanner in the works and have given rise to several debates regarding the flexibility or productivity of French labour⁸¹, the lacunae in mid-level professional training, the flaws in the links between research & development in the university system and the business world, the insufficient number of qualified engineers, etc.

A textbook example was BSN (later Danone), one of the stars of French capitalism which took to food-processing (mainly by merging with Gervais-Danone), then sold its glass business (recentering), before giving up its beer, mustard, biscuit and confectionery manufacturing in order to assert itself as a global player in waters, milk and dietary products – in competition with Nestle. Similarly, Saint-Gobain abandoned heavy chemicals and petrochemistry (inherited from the inter-war period) and the foundry bequeathed to it by its 1970 merger with Pont-à-Mousson to concentrate on sheet glass before going into the manufacture and sale of construction material.

⁷⁷ Le rapport MacKinsey”, in Pierre Cayez, *Rhône-Poulenc, 1895-1975*, Paris, Armand-Colin-Masson, 1988, pp. 283-296. Matthias Kipping & Lars Engwall (eds.), *Management Consulting. Emergence and Dynamics of a Knowledge Industry*, Oxford, OUP, 2002. Matthias Kipping, “American management consulting companies in western Europe, 1920 to 1990: products, reputation, and relationships”, *Business History Review*, 73, n°2, Summer 1999, pp. 190-220. Ludovic Cailluet, “McKinsey, Total-CFP et la M-form. Un exemple français d’adaptation d’un modèle d’organisation importé”, *Entreprises & histoire*, n°25, October 2000, pp. 26-45. Chris McKenna, *The World’s Newest Profession. Management Consulting in the 20th Century*, Cambridge, Cambridge University Press, 2006.

⁷⁸ Alfred Chandler, *Stratégies et structures de l’entreprise*, Paris, Éditions d’organisation, 1989 (1962 for the American edition). Michael Porter, *Choix stratégique et concurrence*, Paris, Économica, 1986. Michael Porter, *L’avantage concurrentiel*, Paris, Dunod, 1986. Issue “Les nouvelles logiques de l’entreprise”, *Cahiers français*, n°309, La Documentation française, July-August 2002.

⁷⁹ Geert Hofstede, *Cultures and Organisations. Software of the Mind*, New York, second edition, MacGraw Hill, 1997. Daniel Belet, *Devenir une entreprise apprenante. Les meilleures pratiques*, Paris, Les Éditions d’organisation, 2003.

⁸⁰ See Gunnar Eliasson, “Educational efficiency and the markets for competence”, *European Journal, Vocational Training*, 2/1994, pp. 5-11. Gunnar Eliasson, *The Knowledge-Based Information Economy*, Stockholm, IUI, 1990. Gunnar Eliasson, “The firm as a competent team”, *Journal of Economic Behavior and Organization*, volume 13, n°3, 1990, pp. 175-298.

⁸¹ Patrick Fridenson & Bernard Raynaud (eds.), *La France et le temps de travail*, Paris, Odile Jacob, 2004.

Both these companies are emblematic because they both built up teams of young managers – coming from various formations, either from the engineering schools *à la française*, or from business schools after being trained by the marketing firms like Procter & Gamble or Unilever – who then spread into other enterprises – as though they were “schools” of a new mode of strategic management and the harbinger of a new, ‘French’ strategic entrepreneurship. Their CEOs “incarnated” this new leadership with great charisma: Roger Fauroux (managing director, then CEO in 1961-1986), Jean-Louis Beffa (managing director, then CEO in 1982-2007) at Saint-Gobain; Antoine and Franck Riboud at Danone, Claude Bébéar at the insurer Axa, etc.). R. Fauroux even rose to become minister of Industry and Foreign Trade in 1988-1991 while J.-L. Beffa authored a major report on French industrial policy and established the Industrial Innovation Bureau in 2005 to help the government stimulate innovative investments.

Gradually, this process touched practically all companies, with jolts, delays (the Alstom crisis) and drastic restructurings. Rhône-Poulenc (then led by Jean-René Fourtou, formed by consultancies, thus able to shake aside the “traditions” of what had become an inert group) abandoned chemical textiles, then all chemicals to become Aventis (after the merger with Hoechst) and finally Sanofi-Aventis; it turned into a pharmaceutical giant under the aegis of two “heavy weight” managers (Jean-François Dehecq). We thus see that the new strategic entrepreneurship transformed the large enterprise by identifying itself with its manager(s) capacity to break away from path dependencies, to overhaul the corporate culture and to negotiate with the internal forces within the company for the means of bringing about this strategic and managerial “revolution”. Henceforth, directors were required to move away from the French way of thinking – rooted strongly in incestuous relationships with the economic apparatus of the State and cartelizing habits – and towards a “European” and “world” economy. In its strategic aspect, the strategic entrepreneurship could no longer confine itself to a purely French-French system and had to incorporate this “transnationalization” in concept as well as in the organization and to “think Europe/world”. The molting in the petroleum sector is a striking case in point: two companies which were habituated to living in symbiosis with the State apparatus (Elf-Aquitaine and the *Compagnie française des pétroles*-Total) were replaced by a transnational corporation under managers who, though products of the French “*grandes écoles*”, were determined that their company “fly on its own wings” at the international level, without depending on “patriotic” sops from the French petroleum organization.⁸²

This also explains why several multinational French companies had foreigners at their helm (a Welshman at L’Oréal, Lindsay Owen-Jones) and especially, why many Frenchmen were given the reins of foreign companies. The capacity of the French elite to assimilate and carry forward the new strategic entrepreneurship was justified at the international scale in the wake of the pioneer who, in the years 1970-1980, had at the head of the American oil prospecting firm, Schlumberger⁸³. In fact, there arose a “cohort” of French trans-national business leaders who showed the “openness” of French entrepreneurship at the service of non-French enterprises⁸⁴ (trained at Pechiney, Jean-Paul Varin at Corus, before joining Peugeot⁸⁵; Patrick Cescau at Unilever, Jean-Pierre Garnier at Glaxo-Smithkline, Alain Lévy at EMI, Jean-Marie dru at TBWA, etc.). This osmosis found its high-water mark in Carlos Ghosn, a Franco-Lebanese who was first sent by Renault to look after the affairs of its Japanese partner Nissan and later asked to also manage Renault.

One can speak of a strategic entrepreneurship regarding this cohort of managers because they remained for long in the management and at the head of their firms (some for over fifteen years, or even more like Bertrand Collomb at Lafarge or J.-L. Beffa at Saint-Gobain), they exerted a kind of authority on all managers in general, were “influential” in their sector, in professional and inter-professional federations (CNPFP-*Centre national du patronat français*, MEDEF-*Mouvement des entreprises de France*, AGREF-*Association des grandes entreprises*, transformed in 1982 into AFEP-*Association française des entreprises privées*) and in associative networks of influence in Paris.

⁸² François Roche, *TotalFinaElf: une major française*, Paris, Le Cherche Midi, 2003.

⁸³ Ken Auletta, *The Art of Corporate Success. Schlumberger and Jean Riboud*, New York, Putnam, 1984.

⁸⁴ See Géraldine Meignan, “Le patron français, produit d’exportation”, *L’Expansion*, January 2005 (www.l’expansion.com).

⁸⁵ See “Portrait. Philippe Varin”, *Enjeux-Les Échos*, February 2011, pp. 46-49.

Their capacity for changing their company's course of history is undeniable and they created a kind of collective strategic entrepreneurship within their managerial team by balancing the art of the strategic entrepreneurship with the art of management⁸⁶ and by practicing what has sometimes been called the "intrapreneurship", that is to say, the capacity to awaken entrepreneurship within the management, the project teams or the innovators called upon to create subsidiaries or enterprises within the group. Such was the case in both managerial capitalism as well as family capitalism (Bouygues, Dassault, Pinault, etc.) without any real distinction between the two.

B. Stimulating the strong points

It was in this socio-cultural, managerial framework that the new strategic entrepreneurship, after having reinforced French capitalism's "toolbox" and contributed to a revitalization of its forces (*strengths* of the *SWOT* matrix), repositioned French capitalism around several "strong points".

It is evident that at the European and world levels, this strategic entrepreneurship consisted of identifying the potential for the redeployment of the French economy (*opportunities*) in order to make the most of the portfolio of available competencies.

Several acquirers of ailing firms seemed to be animated by a premonitory strategic entrepreneurship. No doubt, their behavior was "predatory"⁸⁷, as they worked every penny from the legacy of the defunct groups (industrial sites, brands, employees), but they also proved the long-term validity of the "economic model" they had initiated when they embarked upon a sectorial strategy whose legitimacy was recognised by experts because it contributed to a renewal of French competitiveness. All three semi-predatory, semi-enterprising "heroes" had their roots in regional SMEs managed by their families. But they each rose to a whole new level by creating powerful corporate groups federating dozens of ailing companies: Bernard Arnault in luxury goods (LVMH: champagne, luxury items, etc.), Vincent Bolloré (maritime transport SDV-Bolloré), François Pinault (PPR: mass-market retailing, then also mid and upper range of personal accessories). These "giants" symbolized the rebirth of family capitalism, as did some other lesser figures (Fayat, creator of the fourth BTP group, Nicollin and Séché in utilities, etc.).

Outside this august circle, a number of other big managers also created groups of medium and large companies in order to face the growing international competition. They were either family affairs (Dassault, Bouygues, etc., also L'Oréal around the Bettencourt family) or professionally managed. Thanks to them French capitalism restructured itself around the "strong points", networks which gave it a relative "differentiation" due to the "comparative advantages" which were only gradually recognised by the academic experts.

A first set of networks concerned the industry which, despite it being a "post-industrial society", remained one of the main levers of growth:

- "Premium" or extremely high value added consumer and luxury goods⁸⁸ around major global brands⁸⁹ with a brand image allowing the popular ranges to have their own identity and thereby fat margins: LVMH and Hermès, Rémy Martin, Pernod-Ricard (both in spirits), L'Oréal (personal care)⁹⁰, Essilor (optics, with Xavier Fontanet at its head since 1999).

⁸⁶ See Joseph Nye, *The Powers to Lead. Soft, Hard, and Smart*, Oxford, Oxford University Press, 2008. Harvard Business School. *Harvard Business Essentials. Strategy: Create and Implement the Best Strategy for Your Business*. Boston, Mass., Harvard Business School Press, 2005.

⁸⁷ See Michel Villette & Catherine Vuillermot, *Portrait de l'homme d'affaires en prédateur*, series "Entreprise & Société", Paris, La Découverte, 2005.

⁸⁸ Louis Bergeron, *Les industries du luxe en France*, Paris, Odile Jacob, 1998. Jacques Marseille (ed.), *Le luxe en France du siècle des Lumières à nos jours*, Paris, ADHE, 1999.

⁸⁹ See Albrecht Rothacher (ed.), *Corporate Cultures and Global Brands*, Singapore, Asia-Europe Foundation, 2004. Mira Wilkins, "When and why brand names in food and drinks?"; "Brands. Economic ideology and consumer society", in Geoffrey Jones & Nicholas Morgan (eds.), *Adding Value. Brands and Marketing in Food and Drink*, London & New York, Routledge, 1994, pp. 15-40 and 41-58.

⁹⁰ François Dalle, *L'Aventure L'Oréal*, Paris, Odile Jacob, 2001. Béatrice Collin & Daniel Rouach, *Le modèle L'Oréal. Les stratégies clés d'une multinationale française*, Paris, Pearson, 2009.

- The network of construction and public works⁹¹ around building (Vinci, Bouygues, Eiffage, Fayat) and construction material firms (Saint-Gobain, Lafarge), while those in construction equipment went into foreign hands.
- Food processing – so as to increase the value of the country's natural resources and then to export this know-how to other regions. This network was developed by family groups – Lesaffre⁹² (yeast and malt), Roquette (starch), Malteurop and Soufflet (European giants in malting), Bonduelle⁹³ (vegetables), LDC and Doux (poultry), Bigard (meat packaging), Roullier (fertilizers), Lactalis-Besnier⁹⁴, Bel, Bongrain (dairies and cheese), Louis-Dreyfus (wholesale trade of cereals⁹⁵), etc., by managerial groups (Danone), and especially, by cooperatives. Several large cooperative groups were created which continue to grow via mergers with medium-large enterprises: Tereos (sugar), 3A, Sodial or Eurial (dairies), Euralis, Maisadour, Coop de Pau, Limagrain, Invivo, Champagne Céréales (seeds, grain, etc.), CECAB (vegetables packaging) or Covia (meat), etc. Agri-cooperatives reached a 40 per cent share of the production (in 2008). The latter came into their own (brand portfolio, self-financing capacity) when their narrow, consensual management gave way to a true, collectively borne strategic entrepreneurship. They did follow entrepreneurial paths, designing strategies for competitiveness and new business models, innovation in products, imposing patterns of quality to the peasants, mutualising means of manufacturing, setting up foreign subsidiaries, like in Brazil for Tereos, etc. And these policies often relied on strong entrepreneurial leaders (Alexis Gourvenec in Brittany; Philippe Duval at Tereos, etc.), thus mixing collective and charismatic ways of life.
- The automobile sector, where the “awakening” came after the redefinition of the right economic model for each firm (mid and low end for Renault, mid and high-end for Peugeot-Citroën⁹⁶) – the result of not only a drastic attempt at restructuring the organization and the strategy when a major crisis struck every company all through the 1980s and almost caused a total collapse, but also due to several outstanding managers endowed with strong personalities (Louis Schweitzer⁹⁷ then Carlos Ghosn at Renault; Calvet and two successors at Peugeot). This sector also included family (Faurecia-Peugeot, Plastic-Omnium, with the Burelle family) and managerial (Sommer-Allibert, Valeo, etc.) firms among automotive equipment.
- The major railroad (Alstom), aeronautic and aerospace sectors (Zodiac, Daher, Safran, etc.) – even though a part of this set is in the charge of a European strategic entrepreneurship (via EADS and Airbus⁹⁸) – and the field of energy and electrical equipment (Alstom, Legrand, Schneider⁹⁹, etc.) and of the wholesale trading of equipment (Rexel, a managerial firm, and Sonepar, a family one, Coisne-Lambert¹⁰⁰, having given up in 1969 its historical textile specialty dating back to 1853).
- Industries extending themselves within « worldwide niches » thanks to companies split-off from conglomerates, as in cable (Nexans), electronic components (SMT Electronics), electronic for defence (Thalès), or steel pipes (Vallourec), therefore bolstered by a high dose of added value and R&D, in order to cling to the bunch of globalised actors and firms from emerging countries.

⁹¹ Éliane Deck-Chaumont, *Culture d'entreprise et stratégie économique. Le cas des groupes français de BTP, 1945-1985*, Paris, ENPC-CERTES, 1987. Dominique Barjot, *Travaux publics de France. Un siècle d'entrepreneurs et d'entreprises*, Paris, Presses de l'École des Ponts-et-Chaussées, 1993. Dominique Barjot, *La trace des bâtisseurs. Histoire du groupe Vinci*, Rueil-Malmaison, Vinci, 2003. *Un siècle de constructions, 1900-2000*, Paris, Éditions du Moniteur, 1999. Dominique Barjot, *La grande entreprise française de travaux publics (1883-1974)*, Paris, Économica, 2006.

⁹² Jean-Pierre Debourse (ed.), “Lesaffre”; “Grandes malteries modernes”, in *C comme centennaires. Histoires d'entreprises centennaires de la région Nord-Pas de Calais*, 1992, Lille, La Gazette du Nord, 1992, pp. 117-119; 103-105.

⁹³ Jean-Pierre Debourse (ed.), “Bonduelle”, in *C comme centennaires. Histoires d'entreprises centennaires de la région Nord-Pas de Calais*, 1992, Lille, La Gazette du Nord, 1992, pp. 30-34.

⁹⁴ See Philippe Escande, “Lactalis, un flibustier sur une mer de lait”, *Les Échos*, 30 March 2011. Also visit the business history museum of the firm in Laval.

⁹⁵ See Tristan Gaston-Breton, “Louis Dreyfus : le négoce en héritage, 1851-2011”, *Enjeux-Les Échos*, June 2011, pp. 78-79.

⁹⁶ See Jean-Louis Loubet, *La Maison Peugeot*, Paris, Perrin, 2009.

⁹⁷ See Louis Schweitzer, *Mes années Renault. Entre Billancourt et le marché mondial*, Paris, Gallimard-Le débat, 2007.

⁹⁸ Pierre Sparaco, *Airbus : la véritable histoire*, Toulouse, Privat, 2005. Pierre Müller, *Airbus, l'ambition européenne : logique d'État, logique de marché*, Paris, L'Harmattan & Commissariat général au Plan, 1989.

⁹⁹ Tristan de la Broise & Félix Torres, *Schneider, l'histoire en force*, Paris, Jean-Pierre de Monza, 1996.

¹⁰⁰ Jean-Pierre Debourse (ed.), “Coisne & Lambert”, in *C comme centennaires. Histoires d'entreprises centennaires de la région Nord-Pas de Calais*, 1992, Lille, La Gazette du Nord, 1992, pp. 154-156.

The breaking up of conglomerates resulted in a rash of independent groups (like in an offshoot of Rhône-Poulenc in specialised chemicals, Rhodia, then purchased by Solvay in 2011, etc.) which found themselves on the path to a strong growth because they finally could benefit from some proper leadership which used its entrepreneurial energy to turn them into dynamic companies, each endowed with a specific culture. Such a deconcentration of French capitalism allowed to revitalise the teams of management, innovation and commercial prospecting, thanks to a better extraction of creative and financial value of this levers of growth, that had often been too much constrained within the ancient groups.

A second network grew around the service sector, which had become the venue of a more “immaterial” growth¹⁰¹:

- Mass-market retailing, where the trend towards centralisation gave rise to not only immense family (Auchan, Cora, PPR) and managerial (Carrefour) groups, but also to corporations which were held collectively by their regional managers (Leclerc, U, Coop, etc.).
- Services to professional or private enterprises and consumers, in hospitality (Accor¹⁰²), chains of individual catering (Le Duff, Holder), collective catering (Sodexo, with a half-dozen other medium-large or large enterprises, like Elior), with companies capable of “playing with the international big boys”; and outsourced management of R&D and engineering tasks (Altran, Alten, Assystem, Akka Technologies, etc.).
- The public utilities (water¹⁰³, waste, transport, energy), as part of municipal services, in concession, or management of road services (Veolia, Suez then GDF Suez), where the government groups had also to change from a simple “administered” form of management to a managerial capitalism¹⁰⁴ with the help of managers who had to help these government entities discover the strategic entrepreneurship. The “senior civil servants”, habituated to keeping the equilibrium between public influence networks and syndicates, had to be replaced by “business managers” with the mission to foster the strategic entrepreneurship. The nomination of a big name from the private sector at the head of the EDF symbolized this change, as did the merger between Suez (private company¹⁰⁵) and *Gaz de France* (public company in the course of being privatised) to form GDF-Suez.
- The digital services, whose growth made up for the failure to build a proper computer industry in the country, by mobilizing the capital of competitive grey matter (IT service companies: Atos, Gemini-Sogeti¹⁰⁶, Bull, evolving from hardware to software, etc., telecommunication (France Telecom-Orange, etc.), digital security and cards (Gemalto¹⁰⁷), computer-aided software (Dassault Systèmes), etc.
- Mass-audience advertising (Vivendi, Lagardère), advertisement¹⁰⁸ and corporate communications, around several charismatic personalities endowed with a familial (Jean-Claude Decaux, Jean-Louis Lagardère, evolving from aerospace to medias, with Hachette and else), individual (at Publicis, around Maurice Lévy, Marcel Bleustein-Blanchet’s successor, whose descendants retained the controlling block of capital) and collective (in the subsidiaries of Publicis, Havas and Vivendi) strategic entrepreneurship.

¹⁰¹ Hubert Bonin, “Tertiaire et histoire économique : quelques mises au point sur la fonction des services dans la croissance”, in Dominique Barjot (ed.), *Où va l’histoire économique ?*, special issue, *Historiens & Géographes*, n°378, Paris, APHG, 2003, pp. 203-218.

¹⁰² Virginie Luc, *Impossible n’est pas français. L’histoire inconnue d’Accor, leader mondial de l’hôtellerie*, Paris, Albin Michel, 1998. Hubert Bonin, “The French group Accor and tourism since 1967: Business tourism without a mass tourism strategy”, in Luciano Segreto, Carles Manera & Manfred Pohl (eds.), *Europe at the Seaside. The Economic History of Mass Tourism in the Mediterranean*, New York, Berghahn, 2009, pp. 144-173.

¹⁰³ Hubert Bonin, “Le modèle français du capitalisme de l’eau dans la compétition européenne et mondiale depuis les années 1990”, in Catherine Baron (ed.), *Société civile et marchandisation de l’eau. Expériences internationales*, special issue, *Sciences de la société*, n°64, February 2005, pp. 55-74.

¹⁰⁴ See Hélène Pauliat (ed.), *Services publics, concurrence, régulation: le grand bouleversement en Europe ?*, Limoges, PULIM-Presses de l’Université de Limoges, 2008.

¹⁰⁵ Hubert Bonin, “Suez, de la finance aux services collectifs : analyse du redéploiement stratégique des années 1990”, in *Marché(s) & hiérarchie(s)*, Toulouse, Presses de l’Université des sciences sociales de Toulouse 1, 2000, p. 389-403. Hubert Bonin, “Suez toward a European enterprise, 1982-2000”, in Harm Schröter (ed.), *The European Enterprise. Historical Investigation into a Future Species*, Berlin, Springer, 2008, p. 169-182.

¹⁰⁶ Tristan Gaston-Breton, *De Sogeti à Cap Gemini, 1967-1997. 30 ans d’histoire*, Paris, CGS, 1997.

¹⁰⁷ Cf. Maxime Amiot, Nicolas Barré & David Barroux, « Olivier Piou, directeur général de Gemalto », *L’Entretien du lundi, Les Échos*, 7 February 2011, p. 12.

¹⁰⁸ Marc Martin, *Trois siècles de publicité en France*, Paris, Odile Jacob, 1992.

- Banking, finance, asset management, in groups restructured around a more or less efficient and profitable economic model derived from a managerial (BNP-Paribas, *Société générale*) or mutualist (*Crédit agricole*, *Crédit mutuel Centre-Est-Europe*, BPCE) capitalism. The success of their leaders was aided by managers endowed with a strong strategic entrepreneurship and lengthy terms in office (notably, the somewhat charismatic Michel Lucas at *Crédit mutuel* and Michel Pébereau at BNP-Paribas, or Claude Bébéar, who built the giant insurance group Axa from a tiny mutual in Normandy).

In all these sectors, the strategic entrepreneur spirit lied in the lucid and impatient quest by the manager for the optimal adequation between the business model and the portfolio of strategic activities of his firm, and the overall « specialisation »¹⁰⁹ of French economy against its competitive positioning – even in the industries threatened to be intensively restructured because of the crisis of redefining the productive system on a European and worldwide level¹¹⁰.

C. Whither the “niches”?

While the domain of the large enterprise, whether familial, managerial or cooperative, was revitalized by an undeniable strategic entrepreneurship (but which obviously requires a much more exhaustive and systematic analysis), can it be said that the medium-large enterprise in France lost its way? That it could not measure up to its German counterparts (around the *Mittelstand*, so highly praised in France) or the Italians (with their networks of SMEs cooperating within industrial districts)? The advent of the third industrial revolution in France could not find any support from the corpus of mid-sized managers who could mix a strong strategic entrepreneurship with the will for a savage socio-economic growth while remaining embedded in their region¹¹¹ and striving for a national and an increasingly international deployment. It seems to us that no study has been done on a *Mittelstand*, while several works have been published on the industrial districts in certain regions.¹¹²

For example, several networks have been identified in the wine industry in the Gironde¹¹³ and Champagne regions, in aerospace in the big South-West (with suppliers of aerospace groups), in pharmaceuticals, etc. Several niches with high value-addition had been occupied, in the classical fashion, since the years 1980-1990 by medium-large enterprises in sectors that became the “strong points” of the French economy, with each notching up turnovers of between 1 and several billion Euros. Naturally, it was a heterogeneous group, without anything in common except for the capacity of adapting to the market (*opportunities*) and making the most of the company’s portfolio of competencies (*Strengths*): parts for aerospace suppliers, innovative medicines for the Servier, Pierre Fabre and Biomérieux family-run companies, micro-metallurgy for De Dietrich¹¹⁴ (vitrified steel), etc.

¹⁰⁹ See « Insuffisante ou mauvaise spécialisation ? » ; « Vers une respécialisation ? », Norbert Holcblat & Michel Husson, *L’industrie française*, Paris, La Découverte, série Repères, 1990, pp. 106-108. Gabriel Colletis & Yannick Lung (eds.), *La France industrielle en question. Analyses sectorielles*, Paris, La Documentation française, series *Études*, n°5228, 2006.

¹¹⁰ See Bertrand Bellon & Jean-Marie Chevalier (Centre de recherche en économie industrielle) (eds.), *L’industrie en France*, Paris, Flammarion, 1983.

¹¹¹ Brian Uzzi, “The sources and consequences of embeddedness for the economic performance of organisations: the network effect”, *American Sociological Review*, 1996, 61, pp. 674-698. Mark Granovetter, “Economic action and social structure: the problem of embeddedness”, *American Journal of Sociology*, volume 91, 3, 1985, pp. 481-510.

¹¹² Jean-François Eck & Michel Lescure (eds.), *Villes et districts industriels en Europe occidentale, XVIII^e-XX^e siècles*, Tours, CHVMC, 2002. Jean-Claude Daumas (ed.), *Les systèmes productifs dans l’Arc jurassien. Acteurs, pratiques et territoires (XIX^e- XX^e siècles)*, Besançon, Presses universitaires de Franche-Comté, 2004. Andrea Colli & Mary Rose, “Family business. Industrial districts, networks, and family firms” (pp. 207-208); J. Zeitlin, “Industrial districts and regional clusters”, chapter 10 (pp. 219-243), in Geoffrey Jones & Jonathan Zeitlin (eds.), *The Oxford Handbook of Business History*, New York, 2007; Oxford, Oxford University Press, 2008.

¹¹³ Stuart Landon & Constance Smith, *Price, Quality and Reputation: Evidence from the Market for Bordeaux Wine*, Edmonton, Alta, Department of Economics, University of Alberta, 1994. Stuart Landon & Constance Smith, “The use of quality and reputation indicators by consumers: The case of bordeaux wine”, *Journal of Consumer Policy*, 1997, n°20, p. 289-323.

¹¹⁴ For the previous period, see: Michel Hau, *La maison De Dietrich de 1684 à nos jours*, Strasbourg, Oberlin, 1998.

The Silicone Valley myth stimulated the local authorities and business communities into turning these corporate “hives” into super-districts “à la française” as part of a new type of “industrial policy”, not based on single large groups, but on establishing “breeding-grounds” for SMEs adapted to the “new age of capitalism”¹¹⁵. It encouraged the spread of banking and semi-public financing institutions, “competitiveness clusters” to help spread entrepreneurship and economic models adapted to the competitive environment (aerospace valley, etc.). Unfortunately, the development of such a “nursery” came up against the difficulties faced by the extremely small enterprise (that of the auto-entrepreneur) to grow into an SME, or the SME into a large enterprise.

Meanwhile, the large SMEs too, as the giants of their sector, forged their way to an international competitive capitalism when their managers, either familial or the result of a re-composition of the capital, mobilized a strategic entrepreneurship and dug themselves “niches” which combined R&D and high value addition to become “champions” of specialized products due to their strategic and technical “differentiation”. Thus, France had the world leader of the wheelbarrow and diverse other such specialists (Guillemot-Ubisoft in video games; Babolat, world leader for racket strings, Bic in light mass-products, etc.) – not that we wish set down any comprehensive catalogue or a scientifically systematic inventory. Still, France too proved itself capable of generating a *Mittelstand* à la française, whose contours have yet to be defined.

Conclusion

Our essay was focused on the economic world at the frontlines of national and international competition. In fact, a large swathe of the French economy had for long been “protected” (the government’s economic and social apparatus, large public enterprises, etc.) to the extent that one of the recurrent analyses within the neo-liberal school of thought claimed that it acted in fact as a shackle or brake to the growth of a competitive business world¹¹⁶, as a “leisure” sector. Nevertheless, experts have recognized that entrepreneurship can only prosper when supported by a base of social cohesion, legal stability, general and professional education and some collective logistics, a large part of which comes from the public sector.

Having said that, we must point out a paradoxical situation that arose for a quarter century after World War II: a number of experts stated categorically that entrepreneurship had all but disappeared after the 1930s and that only large-scale industrial policies and the state’s economic apparatus could help drag this “bourgeoisie”, which had lost its competitive edge, out of its malthusianism. Some American experts even went so far as to talk, in Harvard in 1951, of France as the “desiccation of the bourgeois spirit”. And yet, while several public and semi-public initiatives were being deployed, this period turns out to be one of the most fecund for French strategic entrepreneurship, especially as regards regional and familial capitalism! Once again a fallacious perception seems to have carried the day in these debates on the French “weaknesses”.... The fact that the public and para-public enterprises proved dynamic should not blind us to the fact the French “awakening” was due mainly to a renewed vitality in the private sector. Though over time the phenomenon of capitalist concentration explains the grouping (in construction and public works, mass distribution, etc.), but the “tonus” of French capitalism was high.

Still, it is undeniable that a number of companies, including family dynasties, were wiped out by the long transitional crisis of the years 1970-1990 – either because of a faulty strategy, or because they were bought over by competitors endowed with greater reactivity or a better strategic discernment. This could explain why, during these years, there arose a negative perception of French entrepreneurship, especially when the large conglomerates were struggling to recoup their losses and unearthing new markets. Truly speaking, there is widespread ambiguity: while growth resumed by following the path of innovation in an open economy, a number of managers of large enterprises (familial, managerial or mixed – professionally managed but under the control of family shareholders) showed a remarkable strategic entrepreneurship by creating and developing “tricolor champions” in every branch – though several group leaders had passed into foreign hands in the meantime.

¹¹⁵ See Élie Cohen, *Le nouvel âge du capitalisme. Bulles, krachs et rebonds*, Paris, Fayard, 2005.

¹¹⁶ See Jacques Marseille, *La guerre des deux France. Celle qui avance et celle qui freine, op.cit.*, 2004.

Finally, though France could not boast of any IT giant of the likes of SAP, Microsoft, Google or Apple (due perhaps to the lack of an early seeding of the required academic research, or perhaps because the public or para-public sector drew the lion's share of all R&D), the turn of the 21st century saw the emergence and growth of a digital entrepreneurship which proved that the computer-aided design, digital controlling, and industrial automation. The failure of the "top down" control of the IT sector (*Compagnie internationale de l'informatique-CII*, Bull, France Télécom's *Minitel*, etc.) and the passage of a large section into foreign hands (medical imaging, electrical engineering, etc.) were erased by this French osmosis between innovation and strategic entrepreneurship.

Thus, there was a veritable "resurrection" of regional hubs of entrepreneurship due to the processes of differentiation and specialization which have been identified in several quasi-districts (Choletais, *Porte de Bourgogne*, North, the Lyon and Grenoble regions, etc.), even if, like in all countries, a section of these "new entrepreneurs" preferred to turn into "gentlemen of leisure" and hand over their company to groups. But experts continued to cast doubts on the vitality, reactivity and spread of this recent elites (from the 1980s). Thus evolved the "industrial policy" (epitomised by the economic initiative law of August 2003): the government and the local authorities took on the role of a "midwife" for a new entrepreneurship¹¹⁷, with funds, legal facilities, networks of contacts ("incubators") in order to help the smallest enterprises establish themselves and grow into SMEs, then medium-large enterprises. The challenge still seemed to lie in having a sufficiently large number of this last category of companies (also called intermediate-size enterprises) as in Germany.

"In short, the French produced enterprises, actually a lot of them, with some 320 000 registrations in 2004 – which is a good thing, whatever anybody might say.

But these enterprises found it difficult to grow and to create employment (in the four years following their creation, American SMEs created twice as many jobs as our SARL), not to speak of the significant rate of attrition which decimated the ranks of our entrepreneurs (50% not surviving beyond their fifth year, 60% in the United States). Actually, the government's economic policies were too focused on the launch of enterprises. Aid, exemptions, incentives and other such procedures helped in the creation, but the situation quickly turned dicey when the support was removed. Moreover, as soon as a company nosed its way out of the mass, it found itself a group which would buy it out, thus creating a real shortage of intermediate structures which are the actual job creators."¹¹⁸ "What do we really understand by entrepreneurship? Facing the competition and taking the risk of creating one's own enterprise? Yes, but it goes much further. Enterprises create wealth and employment. They also breathe into the economy the dynamism so essential for facing the challenges of globalisation and structural change. Stimulating entrepreneurship boils down to mobilising the entrepreneurial energy and turning it into a dynamic process by using all the opportunities offered by the economy. This book analyses the factors which facilitate and the obstacles which shackle entrepreneurship. In a first, it offers a global synthesis of the entrepreneurship policies conducted by countries as diverse as Australia, Spain, the United States, the Netherlands and Sweden. While the ground realities vary significantly from one country to the next, these international comparisons show that entrepreneurship is always based on a combination of a favorable institutional environment, well-planned public programs and propitious cultural factors."¹¹⁹

¹¹⁷ See the website [www.pme.gouv.fr/espritd'entreprise].

¹¹⁸ Report by INSEE about the creation of enterprises in France in 2004, Paris, INSEE, 2005.

¹¹⁹ *Perspectives de l'OCDE sur les PME et l'entrepreneuriat*, Paris, OCDE, 2005.

As though to exorcise any risk of a “delay” or “decline”, there arose a “culture of entrepreneurship” in France. It was inspired by the American and German models, stimulated by the OECD¹²⁰ and European competition, and considered as almost sacred by experts such as professor Michel Godet, its “high priest”¹²¹, or a few charismatic businessmen¹²², with the committed support of a few journals, like *L’Expansion* or *Les Échos* and its series *L’Art d’entreprendre*¹²³. But, this “cult” of “alchemy” of strategic entrepreneurship can be concretely realized only if the actors and experts admit that France, in the majority of its sectors, does not sit on the podium along with the leading nations of the third industrial revolution and therefore, that it must affirm its difference (premium, luxury, high value addition) or its specialisation on strategic niches so as to make the most of its comparative advantages, even if, against pessimistic overviews, it had succeeded in renovating its basis of entrepreneurial and “global heroes”¹²⁴.

Summary

Having earlier set forth the arguments about French entrepreneurship on a long term scope, we focus this text on the French syndrome of low entrepreneurship throughout the challenges of the rebuilding of economic power and growth after WWII within the framework of planification, at times when the very substance of economic elites was at stake among the business associations, the regional communities of business and the state economic apparel. The 1960s-1970s seemed to foster a balance between a “top-down approach” and a “from the basis” renewal of entrepreneurship, thanks to new layers of entrepreneurial bourgeoisies, either family business or transfers from the state system – France being supposed to become the “South Korea of Europe”. But the crisis of the 1970s-1990s shook this regarnished confidence: doubtful elites reconsidered the “French model” along issues of differentiation and competitiveness, within the mindsets of “eurosclerosis” and a specific type of “declinism”. We thus ponder over the evolution of entrepreneurial reactivity through the dismantling of traditional family business and industries and the upsurge of new productive models; and once more tackle the argument about the role of the state in fuelling entrepreneurship and about the long-dreamt rebirth of “productive districts” and creative communities of entrepreneurship.

¹²⁰ See OCDE, *Stimuler l’esprit d’entreprise*, Paris, Publications de l’OCDE, series “Stratégies de l’OCDE pour l’emploi”, 1998.

¹²¹ Michel Godet, *Le courage du bon sens, pour construire l’avenir autrement*, Paris, Odile Jacob (third edition, reviewed and enlarged), 2009. Philippe Durance, Michel Godet & Marc Mousli, *Créativité et innovation dans les territoires*, report of the Council for economic analysis-CAE n°92, Paris, La Documentation française, September 2010 (then published as *Libérer l’innovation dans les territoires*). Michel Godet, *Bonnes nouvelles des conspirateurs du futur*, Paris, Odile Jacob, 2011.

¹²² See Xavier Fontanet, *Si on faisait confiance aux entrepreneurs ?*, Paris, Les Belles Lettres, 2010.

¹²³ *L’Art d’entreprendre* is a frequent supplement, published in association with Ernst&Young and ESCP Europe.

¹²⁴ *Global Heroes. A Special issue on entrepreneurship*, *The Economist*, 14 March 2009.