1
Introduction: the outlines of a debate

In 1789, France electrified the world with her revolutionary ideals, providing inspiration for generations of political radicals. During the 1800s, it was French military prowess that came to the fore, as the Napoleonic armies shattered the foundations of a whole series of régimes in continental Europe. And at the end of the nineteenth century, Paris could claim to be the cultural capital of the world: a Mecca for writers, composers and painters. But what of the French contribution to material progress? Was France as impressive in the creation of wealth as she was in these other fields? At first sight, somewhat paradoxically, it would appear not. Among contemporary observers, notably those from aristocratic circles who had tasted the delights of Paris and the Côte d'Azur, French people had the reputation of living above all for pleasure and frivolity. The English, by contrast, were known more for their 'industriousness and plodding patience' [23, *13*; 66, I, *14–63*]. Anyone interested in learning about the new industrial civilization emerging during the eighteenth and nineteenth centuries was therefore likely to go to England, or, later on, to the United States and Germany. Celebrated French exports, such as fine wines, perfumes and silks, also gave the impression of a country that was more agricultural than industrial, more attuned to an *ancien régime* of luxury and elegance than to the machine age [30, *470*]. The historical literature in its turn recites an all too familiar litany of failures and mistakes that held back French economic development: the handing over of land to inefficient peasant farmers; the reluctance to exploit potentially important inventions; the hesitation in expanding beyond the limits imposed by the family firm; the preference for overseas instead of home investments; the timorous sheltering behind tariff barriers; and so on and so forth. In the economic sphere at least, France can easily be depicted as one of the 'also rans', lagging behind her neighbours in a number of performance indicators [25; 58; 104, *112–204*].

And yet, over the last decade or so, historians in France as well as in the 'anglo-saxon' world have produced a stream of books and articles enthusiastically proclaiming the need for a radical revision in French economic history. During the 1950s, Rondo Cameron described the French performance as 'disappointing', but in 1983 he stood on his head and asserted that 'in fact, the French economy performed very well in comparison with other industrializing nations' [17; 19, *4*]. Out went the themes of 'stagnation', 'backwardness' and 'retardation'. Out too went the stress on sources of weakness in the economy. Instead came the suggestion that the French had been remarkably successful in carving out their own path to development. It followed that the dynamic forces at work in the economy were worth highlighting, as well as the inevitable obstacles to growth. The ugly duckling had suddenly become a beautiful swan [29; 97; 91; 14].

In this work, we are bound to ponder the extent to which such a violent swing in the pendulum has furthered our understanding of the topic. Revisionists would see themselves using new sources and new perspectives to extend the scope of the debate beyond the old orthodoxies of the 1940s and 1950s. In particular, they can point to the limited data on national incomes available to early commentators, and to the danger of judging French economic development by the extent to which it conformed to the British 'paradigm'. But they are surely open to the criticism of being carried away in their enthusiasm for a radical alternative, risking an unduly favourable assessment of the French performance [26; 59]. The undertow from the older interpretation remains strong. Indeed, the most recent econometric analysis of the French economy during the nineteenth century concludes that change was slower than statistics assembled in the 1960s would suggest. Its reworking of the figures emphasizes 'the permanence of traditional structures, the high level of agricultural income until the early 1880s and the obstacles in front of industrialization' [73, *270*]. To pursue the analysis, this study will focus on two broad questions. First, what were the main characteristics of French economic development? And secondly, which of the various possible explanations for the French performance are most convincing? Answers to the former necessarily rely heavily on quantitative types of evidence, leading to diverse assessments of the French performance. Discussion of the latter has traditionally lined up historians emphasizing *material* influences (such hoary old chestnuts as coal shortages or slow demographic increase) against those preferring to stress *social* and *cultural* factors, notably the deficiencies of French entrepreneurs. If this general framework for the debate has been established for some time now, its content has been enriched over the last few years by a late flowering of French economic history. Beside the long tradition in France of writing regional histories, there has emerged an interest in producing scholarly monographs on individual firms, industries, and groups of businessmen. Social historians too have begun to explore topics of interest for our purposes, such as the formation of industrial dynasties among the bourgeoisie or management strategies for controlling labour. Our aim here will be to give some hint of the wealth of material available, and some insight into the complex issues it has raised.

2
The performance of the French economy

Most historians like to open their discussion of the French economy with a flourish of statistics. Their desire to measure the performance of the economy is entirely laudable. But a word of warning: eighteenth and nineteenth century statistical sources are notoriously unreliable! Mayors in rural communes, for example, had a reputation for compiling official statistics with a scant regard for accuracy. It is hardly surprising that historians have occasionally arrived at widely divergent appreciations of particular economic variables, notably the growth of agricultural production in the eighteenth century, or levels of industrial productivity in the nineteenth. This should not be taken as a counsel of despair. One of the great strengths of many recent studies has been the application of economic theory to historical data from France. Quantitative historians have displayed considerable ingenuity in overcoming the drawbacks to their sources, using tithe registers, for example, to estimate agricultural production, or information on raw materials to calculate the output of an industry. They have also agreed international standards for drawing up national accounts, which permit some confidence in comparisons made between France and her major rivals. Nonetheless, students of the subject would be well advised to grit their teeth and look closely at the 'sources and methods' sections of the various studies, in order to familiarize themselves with the nature of the exercises involved. They should also be aware that for all the precision arrived at by historians, historical statistics cannot aspire to the accuracy expected of their late twentieth century counterparts.

Having grasped the nettle and decided to use statistical evidence as a foundation, one might hope that the growing volume of data

Table 2.1 *Annual rate of growth of gross national product and population, 1860–1910* (benchmark years are three-year annual averages)

	Total GNP (a)	Population (a)	GNP Per capita
Austria-Hungary	(1.76)	0.78	(0.98)
Belgium	2.04	0.91	1.12
Denmark	2.94	1.06	1.86
France	1.41	0.16	1.25
Germany	2.57	1.17	1.39
Italy	1.05	0.66	0.39
Netherlands	2.05	1.15	0.89
Russia	2.25	1.27	0.96
Spain	(0.61)	0.48	(0.13)
Sweden	2.70	0.73	1.96
Switzerland	2.08	0.81	1.25
UK	1.87	0.89	0.97
Europe	1.88	0.92	0.96

Source: Bairoch, 'Europe's Gross National Product: 1800–1975', *Journal of European Economic History*, 5 (1976): 283.
(a) Total annual increase including effects of territorial changes.
Note: The degree of rounding off of the figures does not imply a correspondingly low margin of error.

available would point to some kind of consensus on French economic development. But this has not proved to be the case. Protagonists in the debate have disagreed on the significance of various performance indicators, as they seek to buttress their case for a generally negative or positive assessment. Take the obvious starting point: long-run figures on economic growth. The usual approach, which we will follow here, has been to judge the performance of the French economy by comparing it with those of other developing nations.

Table 2.1 reproduces estimates of growth rates for France and some of her neighbours between 1860 and 1910, plus an aggregate figure for Europe based on 19 countries. They are for the gross national product (GNP) at market prices. Figures in brackets have a particularly high margin of error. Before attempting any comparisons, we should note the relative lack of homogeneity in the various estimates of growth rates. Paul Bairoch draws attention to a lack of uniformity in the methods used to reconstruct GNP data and divergences in international price structures. For these reasons a considerable margin of error must be taken into account. We have therefore taken the relatively late period 1860 to 1910 as our starting point, since the data become more reliable at this stage. It is immediately apparent that if the growth of *total* GNP is considered, then France performed relatively poorly. Her growth rate of 1.41 per cent a year was well below the European average of 1.88 per cent, and indeed she appears to have been outstripped by all her rivals, with odd exceptions such as Italy and Spain. On this basis, the French economy in the nineteenth century might well be described as 'retarded'. However, Table 2.1 also documents the fact that France had the slowest growing population in Europe: an increase of a mere 0.16 per cent a year at this period. It follows that her economic performance was more impressive when measured in *per capita* terms. The growth rate of French GNP *per capita* between 1860 and 1910 was 1.25 per cent: sufficient to lift her above the European average of 0.96 per cent, and to place her among the front runners.

A similar pattern can be discerned when earlier periods are considered, though admittedly on the basis of more limited evidence. In Table 2.2, Maddison shows France once again performing unimpressively in the growth rate of her total output between 1820 and 1870, but emerging closer to major competitors such as the United Kingdom and Germany in the growth rate of GDP per head of population. For the eighteenth century, we are obliged to fall back on comparisons between France, Britain and the Netherlands, given the absence of data for other countries. Even with the troubled years of the Revolutionary and Napoleonic Wars included, Table 2.2 suggests that growth in output per head of population was remarkably close on the two sides of the Channel during this early period. Which then is the best performance indicator? Should one concentrate on the growth of total output, and dismiss the more favourable *per capita* results as a statistical illusion, attributable to a slow demographic increase during the nineteenth century? Or should one agree with François Crouzet that product *per capita* is 'the genuine criterion of

Table 2.2 *Growth of output (GDP at constant prices), 1700–1870 (annual average compound growth rate)*

	Total GDP		GDP per head of population	
	1700–1820	1820–1870	1700–1820	1820–1870
Austria		(1.4)		0.7
Belgium		2.7		1.9
Denmark		1.9		0.9
France	0.6(a)	1.4	0.3(a)	1.0
Germany		2.0		1.1
Netherlands	0.1	2.4	−0.1	1.5
Sweden		(1.6)		0.6
Switzerland		(2.5)		1.7
United Kingdom	1.1	2.4	0.4	1.5

Source: Maddison, *Phases of Capitalist Development*, pp. 44–5.
(a) 1701/10–1820

economic progress' [29, *170*]? The latter view would be more acceptable to most economists and economic historians, and so it will be proposed here as the best single measure of economic welfare available. It is certainly the starting point for most of the recent revisionist writing in French economic history.

However, before any overall assessment of French economic growth can be made, two additional points must be considered. First, the levels as well as the growth rates of *per capita* incomes in Europe can be measured. The results show France in an intermediate position, rather than an obvious leader or laggard. According to the estimates of both Bairoch and Crafts, France ranked seventh in 1910: behind Great Britain, Belgium, Denmark, Switzerland, Germany and the Netherlands, but ahead of Austria, Sweden and Italy [4, *286*; 26, *51*]. Second, the peculiar rhythms of French economic growth have attracted the attention of historians. For many years there was a tendency to denigrate the French performance since there was no obvious 'great spurt' to match the British Industrial Revolution or the rapid growth of the German economy in the late nineteenth century. This line of argument is now discredited [76]. Recent research has emphasized that in general economic growth in nineteenth-century Europe was slow by contemporary standards, and that in the particular case of France, a gradual, 'unobtrusive' path to development had its own merits [91]. Yet one cannot ignore the fact that France experienced 'a growth which was without exceptional acceleration but punctuated by phases of marked slackening in pace' [1, *13*]. The upheavals of Revolutionary politics and prolonged warfare during the 1790s and 1800s brought the first such period of deceleration. According to an oft-quoted phrase from Maurice Lévy-Leboyer, this was a 'national catastrophe', which destroyed the efforts of a generation and permitted the British to take a decisive lead over their old rival [67, *29*; 30, *295–317*]. The 'Great Depression' years of the late nineteenth century brought the second run of lean years. Lévy-Leboyer and Bourguignon have pointed to the extended pause in economic growth between 1860 and 1886 as unique to the French experience. The long-term consequences were, once again, pernicious, the suggestion being that France fell behind her main competitors during an important period of liberalized trade and technical innovation [73, *1–13*]. Not surprisingly, then, a note of caution has been sounded in certain evaluations of French economic growth. Crouzet summed it up as 'not brilliant, but quite creditable' [29, *170*]; Crafts as 'respectable but certainly not outstanding' [26, *67*]. Such conclusions would appear to strike the appropriate balance between the extremes of gloom and exaltation to be found in the literature.

Further dissension among historians comes to the surface when we move from the essentially *quantitative* changes associated with economic growth (defined as a sustained increase in *per capita* incomes) to the *qualitative* changes implied by the term economic development. Critics of the French performance have often focused on the lack of structural change in the economy before 1914. More specifically, they have asserted that the French economy placed too much emphasis on farming, failed to take full advantage of large-scale production and never overcame marked regional disparities [25; 58]. The implication is that more rapid structural change would have stimulated an increase in average incomes. Hence we may have here the first hint of an explanation for the rate of economic growth in France. But the problem with this line of argument, according to the revisionists, is that it

Cambridge University Press
978-0-521-55777-1 - The Development of the French Economy, 1750-1914
Colin Heywood
Excerpt
More information

assumes the British path to development to have been the optimum. In other words, the performances of other countries are judged either explicitly or implicitly by the extent to which they conform to the British model, with its rapid run-down of the agricultural sector and its relatively early shift to an urban-industrial type of economy. The alternative proposed by the revisionists is to suggest that there are various possible paths to development, appropriate to the circumstances of the countries concerned, and none should be treated as a paradigm.

Take first the alleged overcommitment to agriculture. The evidence here appears incontrovertible. In 1910 France still had 41 per cent of her labour force employed in agriculture and extractive industry, compared to 15.1 per cent in Britain. Yet the contention that *per capita* output in France would have increased more rapidly had resources been redeployed from agriculture to industry on the scale observable in Britain between 1780 and 1914 is open to question. O'Brien and Keyder accept that, historically, the long-run increase in *per capita* incomes realized by the developed economies has been associated with the relative decline of the agricultural sector. But they cast doubts on 'the idea that structural transformation is an exogenous variable in the growth process, capable of rational manipulation'. They and others are surely convincing in their assertion that French industry could not have absorbed the huge quantities of labour that running down agriculture on British lines would have required. The primary sector in France was simply too big for such a transformation to be envisaged. Indeed, what is now clear is how unusual the British performance was among the nations of nineteenth-century Europe. Crafts shows that France was consistently close to the 'European Norm' for the share of labour employed in agriculture and mining at a given level of income, while Britain was 'something of an outlier'. For example, on reaching an income *per capita* equivalent to $550 (in 1970 US dollars) France in 1870 registered 49.3 per cent employed in agriculture and Britain (in 1840) 25.0 per cent, whilst the aggregate figure for nineteenth-century Europe was 54.6 per cent [97; 91; 26].

Secondly, if we turn to the industrial sector, there is the common assumption that the French were slow to take advantage of the new technologies and economies of scale normally associated with 'industrialization'. In 1981, Robert R. Locke conceded the revisionist point that French economic growth had been quite respectable, but he suggested that France had nonetheless fallen short in her industrialization, understood as the application of science and technology to production [74]. Once again, the case for the prosecution appears overwhelming. One could demonstrate that industry in France was conspicuously slow to cut its links with the agricultural world. Much of its early expansion during the eighteenth and early nineteenth centuries took place in the countryside. The same could be said of its British counterpart, of course, but in France (notably in the case of the handloom weavers) rural industry proved more resilient during the long rearguard action that followed against the factory system. One could also cite various indicators to measure levels of industrial development, which Bairoch has assembled to facilitate international comparisons. These will show, for example, that French industry had a relatively limited amount of steam power available to it. During the 1900s, fixed steam engines (which excludes those used in transport) produced the following horse-power per 1000 of population in the industrializing nations:

Germany	110
Belgium	150
USA	150
France	73
Italy	14
UK	220
Switzerland	37

Overall, Bairoch classifies France fifth among the European countries in her level of industrial development on the eve of the First World War [2]. One might also marshal evidence to suggest some preference in France for a small-scale form of industrial organization. During the nineteenth century an estimated nine-tenths of French manufacturing activity was in the framework of a *fabrique*: a network of specialized firms in a particular region producing goods by means of an extensive division of labour. These 'collective works' (to translate the untranslatable) were dominated by small and medium-sized enterprises, and included such diverse activities as weaving, lacemaking, mechanical engineering, building and food processing [57, *115*]. A census of 1906 provides more