

## The New Spirit of Capitalism

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The contrast between the France of 1968–1978 and the France of 1985–1995 cannot help but draw attention. The earlier decade was marked by aggressive social movements (not all of which were the doings of the working class); an extremely active trade unionism; changes in the allocation of value added which benefited wage-earners (as did the adoption of security-enhancing social legislation); and at the same time, lesser product quality and lower productivity gains, due at least in part to employers' and corporate leaders' inability to control labour.

The later decade was marked by the quasi-absence of social movements (humanitarian aid being their only real manifestation); disoriented unions who had become reactive rather than proactive; an employment relationship that was increasingly precarious; a greater disparity in incomes and an allocation of the value added that once again became favourable to capital; the re-subjugation of a labour force undermined by a significant reduction in the number of strikes and social conflicts and by a drop in absenteeism and in staff turnover; and the manufacturing of higher quality goods.

How was it possible for so much change to occur in such a short lapse of time without running into any real resistance? A book entitled *Le Nouvel Esprit du Capitalisme* ("The New Spirit of Capitalism," Boltanski & Chiapello, 1999) attempts to answer this historical enigma by carrying out an investigative enquiry.

Our involvement in this issue centres on the concept of the spirit of capitalism. We describe how this spirit has changed over the past three decades. In truth, it is relatively easy to trace and observe ideology-related transformations. This can be achieved by analysing published works, a much easier option than studying the changes in practices that

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can be disparate and dispersed, of varying magnitude, and which can affect the organisation of companies of all sizes and in all sectors.

We believe nevertheless that the historical importance of the practices that are being recommended in such texts is much higher than their statistical representation such as it can be measured over the same period of time.<sup>1</sup> These are best practices which can in fact be viewed both as the *modus operandi* of an influential avant-garde, and also as the practices that are applied by the world's largest multinationals—firms whose impact on the economic sphere is much higher than suggested by the proportion of private sector workers (versus the total number of workers) who are directly employed by them.

This study of changes in the spirit of capitalism has revealed a major re-organisation in dominant value systems. In our opinion, this provides a very interesting explanation for the absence of any critical resistance throughout the 1980s, and at least until the mid-1990s, to the capitalist sphere. If we consider that criticisms are usually made in the name of values that are deemed to have been betrayed by the capitalist process, any major transformation of a value system serving as a justification for a capitalist world is apt, at least temporarily, to disorient critical activities.

To tell the story of the way in which capitalism (mainly apprehended in the present article through the organisation of work), the spirit of capitalism and the criticism of capitalism have all changed over the past 30 years in France, the present article develops a model with more of a general overview. Of course, we are not saying that what has occurred in France is an example for the rest of the world, nor that the models which we have built on the basis of the French example possess per se any universal validity. Nevertheless, we have good cause to believe that relatively similar processes have marked the development of ideologies that have accompanied capitalism's redeployment in other industrialised countries—and that our model merits being tested to see whether it can help cast a spotlight on other countries' historical circumstances.

## The Concept of the Spirit of Capitalism

We have labelled as a “*spirit of capitalism*” the ideology that justifies people's commitment to capitalism, and which renders this commitment attractive. In many ways, capitalism<sup>2</sup> is an absurd system: wage-earners have lost ownership of the fruits of their labour as well as any hope of ever working other than as someone else's subordinate. As for capitalists, they find themselves chained to a never-ending and insatiable process. For both of these protagonists, being part of the process of capitalism is remarkably lacking in justification.

<sup>1</sup> We have for example evaluated that the systems which the new spirit of capitalism praises affect, in France, around 20% of all establishments—including the largest ones (Boltanski & Chiapello, 1999, pp. 292–300).

<sup>2</sup> Capitalism is characterised by:

- (a) A minimal format stressing the need for unlimited accumulation by pacific means. Capital is cut off from material forms of wealth and can only be increased through continuous reinvestment and circulation. This endows it with a clearly abstract quality that contributes to the perpetuation of the accumulation process.
- (b) Competition. Each capitalistic entity is constantly being threatened by the actions of competing entities. Such dynamics create a perpetual state of concern. Self-preservation is thus a very strong motivation for capitalists—it is a never-ending catalyst for the accumulation process.
- (c) Wage-earning. Many of those who hold little or no capital make money from the sale of their labour rather than from the sale of the fruit of their labour. They own no means of production, and therefore depend upon the decisions of those who do own them.

Capitalistic accumulation requires commitment from many people, although few have any real chances of making a substantial profit. Many will be scarcely tempted to get involved in this system, and might even develop decidedly adverse feelings. This is an especially thorny problem in modern economies that require a high level of commitment from their employees particularly from managers. The quality of the commitment that one can expect depends not only on economic stimuli, but also on the possibility that the collective advantages that derive from capitalism will be able to be enhanced.

The concept of a spirit of capitalism allows us to combine within one and the same dynamic the changes in capitalism as well as the criticisms which it has faced. Indeed, we affirm that criticism is a catalyst for changes in the spirit of capitalism. It is impossible for capitalism to avoid being at least somewhat oriented towards the attainment of the common good, as it is this striving which motivates people to become committed to its process. Yet capitalism's amorality means that the spirit of capitalism cannot be solely predicated on what capitalism alone is able to offer, that is, only the capacity for accumulation. So capitalism needs its enemies, people who have a strong dislike for it and who want to wage war against it. These are the people who provide it with the moral foundations that it lacks, and who enable it to incorporate justice-enhancing mechanisms whose relevancy it would not otherwise have to acknowledge. The capitalist system has turned out to be infinitely more robust than its detractors, starting with Marx, had ever imagined. Yet this is also because it has discovered a road to salvation in the criticisms it has faced. Is it not true, for example, that along with fascism and communism, the new capitalist order that rose out of the ashes of the Second World War attributes a significant role to the State, allowing for a certain amount of State intervention in the economic sphere? In fact, it is probably capitalism's amazing ability to survive by endogenising some of the criticisms it faces, that has helped in recent times to disarm the forces of anticapitalism, giving way to a triumphant version of capitalism.

We insist on the fact that the spirit of capitalism, far from being a simple adornment or "superstructure" (as Marxist ideology would have it), is central to the process of capitalistic accumulation that it serves because it applies constraints to this process. If one were to take these explanations to their logical conclusion, then not all profit would be legitimate, nor all enrichment fair, nor all accumulation (however significant and rapid) legal. Actors' internalisation of a particular spirit of capitalism thus serves in the real world as a constraint on the process of accumulation. A spirit of capitalism approach thus provides a justification both for capitalism and for the criticisms that denounce the gap between the actual forms of accumulation and the normative conceptions of social order.

First and foremost, a spirit of capitalism stems from a relatively stable set of arguments, most of which have been shaped by economic theory.<sup>3</sup> Yet some of the explanations that one finds in economics are too general in nature, and too static over time. They do not impel ordinary persons to take up a particular type of lifestyle (i.e., type of profession), nor do they provide people with the argumentative resources that will enable them to cope with the circumstantial denunciations and personal criticisms they may have to face. A spirit of capitalism will only be consolidated if its justifications are concretised, that is, if it makes

<sup>3</sup> There are essentially three types of arguments. Their logic stresses:

- (a) A type of progress that cannot be dissociated from the current state of technology or the economy
- (b) The efficiency and effectiveness of competition-driven production
- (c) The fact that capitalism is supposed to be an auspicious regime for individual liberties (which can be economic and also political in nature).

the persons it is addressing more aware of the issues that are really at stake, and offers them action models that they will actually be able to use.

Three dimensions play a particularly important role in providing a concrete expression for the spirit of capitalism.

- (a) The first dimension indicates what is “*exciting*” about an involvement with capitalism—in other words, how this system can help people to blossom, and how it can generate enthusiasm. This “*excitement*” dimension is usually related to the different forms of “*liberation*” that capitalism offers.
- (b) A second set of arguments emphasises the forms of *security* that is offered to those who are involved, both for themselves and for their children.
- (c) Finally, a third set of arguments (and one that is especially important for our demonstration) invokes the notion of *fairness*, explaining how capitalism is coherent with a sense of justice, and how it contributes to the common good.

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

- (a) The first, described amongst others by W. Sombart, corresponds to a predominantly domestic form of capitalism. Its main incarnation is the entrepreneurial *bourgeois*. The “*excitement*” dimension is manifested by an entrepreneurial spirit; its security dimension by the respect for *bourgeois* morality. In this instance, fairness mechanisms essentially revolve around charity and personal assistance.
- (b) A second “*spirit*” (descriptions of which were found between the 1930s and the 1960s, e.g., in Galbraith’s work) focuses on the idea of the large, integrated firm. Its main incarnation is the salaried director. Security is to be achieved through mechanisms such as career development and by the link between private capitalism and the rise of a welfare state. Fairness takes on a very meritocratic form in that it incorporates skills whose certification involves the awarding of credentials.
- (c) A third form of capitalism began to manifest itself during the 1980s. Our book is mainly devoted to the construction of an ideal-type for this third variety of the spirit of capitalism.

### Comparing the New Spirit of Capitalism to the Former One

In order to describe the way in which the spirit of capitalism changed between the 1960s and 1990s, we based our efforts (as Weber and Sombart had done previously) on texts that provide moral education on business practices. For our era, this meant two bodies of work from the field of management studies: one from the 1960s, and one from the 1990s (each representing around 500 pages and 50 texts). For the 1960s, we included texts published between 1959 and 1969; for the 1990s, we used texts published between 1989 and 1994. Consultants wrote the vast majority of these management texts, especially the 1990s writings we used. These were all articles that had been written in French and drawn from “*professional*” (as opposed to academic) management reviews. Some of these articles had been translated from the American. The extracts we chose are those where the authors tried to provide an overall picture of the “*new*” world in which we are living, as well as the characteristics of the new corporate hero, nowadays commonly called a “*manager*” in French (this

term having been only recently introduced in the French language, with *cadre* or *directeur* having dominated during the 1960s). Above all, these texts focus on the organisation of work, on new corporate organisational forms, and on managers’ work environment.

Each body of work has been processed in two ways. First, it was subjected to a standard thematic analysis seeking to answer certain questions. How have the authors formulated the issues at stake? Which problems have they identified? Which answers and solutions have they provided? Which parts of the current situation have they rejected? Table 1 summarises the ways in which both bodies of work answer each of these questions. Appendix 1 offers several elements belonging to the 1990s analyses.

We subsequently processed our findings according to basic lexicographical methods, counting the number of times that a given name or category of names cropped up.

This analysis has led us to conclude that a new representation of the firm has emerged, featuring an organisation that is very flexible; organised by projects; works in a network; features few hierarchical levels; where a logic of transversal flows has replaced a more hierarchical one, etc. This new representation contrasts specifically with a former representation of the firm, one that had focused on hierarchical organisation, integrated and geared towards the internal realisation of activities (vertical integration). This had been a dominant form during the 1960s, praised at the time, but subsequently decried (by the 1990s

**Table 1** Comparing the two bodies of work.

	During the 1960s	During the 1990s
The problems that have been identified (the issues that have caught the authors’ attention)	Unsatisfied “managers” (excessively technical roles that lack in autonomy; criticisms of company directors’ power; decries of the negative side effects of bureaucracy).	Rejection of hierarchy as a form of domination
	Managerial problems associated with firms’ gigantic size (the threat of bureaucracy for liberty)	“Liberation” of all wage-earners (and not only of managers as was the case during the 1960s) Competition and permanent change
The solutions	Decentralisation	Lean companies, organised in networks or by projects;
	Meritocracy	reengineering; flexible, innovative and competent organisations
	Management by objectives	Leaders and other visionaries (capable of managing people who are autonomous and creative)
	Competent <i>cadres</i> and/or <i>directeurs</i> , i.e., managers and executives, selected on the basis of personal merits demonstrated during an entire career spent working for a single firm.	
	Hierarchical control	Coaches, <i>managers</i> (the new French word for managers), experts Self-control, control by the client, trust
What is being rejected	The private sphere (personal judgements, nepotism, promotions through loyalty as opposed to merit, allegiances and privileges)	<i>Cadres</i> (the old French name for managers) Bureaucracy Separation between one’s private and professional lives

authors) for its excessive “bureaucracy.” In addition, a new type of commitment has been promised in the economic domain—one that suits the new spirit of capitalism.

As opposed to the type of job security that was on offer during the 1960s, involving a meritocratic approach that was based on the achievement of negotiated targets, careers are now viewed as a series of fulfilled projects. Job security is now predicated on the “employability” that a person develops as he or she gains experience.

Management literature during the 1990s offered ideals, propositions for the organisation of people, and modes for structuring objects and forms of security—all of which were so different in nature from that which had been on offer during the 1960s that it is difficult not to conclude that capitalism has broadly changed its spirit in the past 30 years.

Table 2 summarises the changes on the spirit of capitalism over the last century.

The transformations of the last decades have been accompanied by a relatively radical change in the definition of what comprises a fair work situation, and a fair treatment of some employees as compared to others. The following section allows us to identify the nature of this change.

**Table 2** Three spirits of capitalism.

	First spirit End of nineteenth Century	Second spirit 1940–1970	Third spirit Since 1980s
Forms of the capital accumulation process	Small family firms Bourgeois capitalism	Managerial firms Big industrial companies Mass production States economic policy	Network firms Internet and biotech Global finance Varying and differentiated productions
Excitement	Freedom from local communities Progress	Career opportunities Power positions  Effectiveness possible in “freedom countries”	No more authoritarian chiefs  Fuzzy organisations  Innovation and creativity Permanent change
Fairness	A mix of domestic and market fairness	Meritocracy valuing effectiveness Management by objectives	New form of meritocracy valuing mobility, ability to nourish a network... Each project is an opportunity to develop one’s employability
Security	Personal property, personal relationships Charity, paternalism	Long term planning Careers Welfare state	For the mobile and the adaptable Companies will provide self-help resources To manage oneself

## The Emergence of a New Value System

To be able to identify the exact nature of the notion of fairness as depicted in the management texts we studied, we used a theoretical construct that Luc Boltanski had developed together with Laurent Thévenot in an earlier publication (Boltanski & Thévenot, 1991): the “justificatory regime” model (*Cité* in the French). This construct had initially been designed with a view towards highlighting the conditions that make it possible to say whether an evaluation or distribution of goods was being done in a fair and legitimate manner.

These situations are characterised by the fact that whatever judgement people ultimately make, they face a certain amount of criticism. Refusing to remain within the confines of the opposition that is usually drawn between the sociology of consensus and the sociology of criticism, Boltanski and Thévenot argued that these “legitimate orders” can be used to reach *agreement* as well as to support *criticism*. They called these constructs *Cités*, thus referring to classical political philosophies whose object had been to design a legitimate order based on a principle of justice. However, as opposed to political philosophies that had usually attempted to anchor this social order in a single principle (utopianism), they argued that in complex modern societies, several justificatory regimes can coexist within the same social space, even though their relevance may vary in accordance with the situation’s characteristics, i.e., with the material or symbolic nature of the objects involved. Finally, unlike the “linguistic turn,” and in order to avoid an idealistic construction that is overly reliant on verbal argumentation, Boltanski and Thévenot considered that people’s claims had to be confronted with the real world, hence pass a series of more or less standardised procedures they called *tests* (*épreuve* in the French). In the end, it is the outcome of these tests that lends substance to the judgements people make. This is what provides them with the strength that they need to stand up to challenges.

The authors identified six justificatory regimes:

- (a) The Inspirational *Cité*
- (b) The Domestic *Cité*
- (c) The *Cité* of Renown
- (d) The Civic *Cité*
- (e) The Market *Cité*
- (f) The Industrial *Cité*.

Each of these justificatory regimes is based upon a different principle of evaluation. Each approach views humans through the filter of its own choice; it excludes any other type of categorisation; and offers its own specific ordering of the populations it studies. This has been entitled the “equivalency principle” since it entails a form of general equivalency (a standard) without which comparative evaluations become impossible. We can therefore say that in terms of a given standard (for example, efficiency in the Industrial *Cité*), people’s test results can vary (and thus their specific—for example industrial—value for the rest of society). A person’s worth, assessed through a legitimate process and in terms of a given standard, was called his/her “greatness.”

In the Inspirational *Cité* (a), greatness is defined as being akin to a saint who has reached a state of grace (or else to an inspired artist). This quality appears after a period of ascetic preparation, and is expressed mostly through manifestations of inspiration (sainthood, creativity, an artistic sense, authenticity, etc.). In the Domestic *Cité* (b), people rely on their hierarchical position in a chain of personal interdependencies in order to achieve greatness. The political ties that unite people spring from a model of subordination which is based on



a domestic pattern. These ties are thought of as a generalisation of generational ties that combine tradition and proximity. The “great one” is the elder, the ancestor, the father to whom respect and allegiance are due, and who in turn grants protection and support. In the *Cité* of Renown (c), greatness only depends on other people’s opinions, i.e., on the number of persons who will grant credit and esteem. The “great one” in the Civic *Cité* (d) is the representative of the group, the one who expresses its collective will. In the Market *Cité* (e), the “great” person is the one who makes a fortune for him or herself by offering highly coveted goods in a competitive marketplace, and who knows when to seize the right opportunities. Finally, in the Industrial *Cité* (f), greatness is based on efficiency and determines a scale of professional abilities.

Justificatory regimes are described using a basic “grammar” that specifies:

- (a) An *equivalency principle* (in reference to which an evaluation can be made of all actions, things and persons for that particular *Cité*)
- (b) A *state of greatness*, a “great one” being a person who strongly embodies the *Cité*’s values, and the *state of smallness*, defined as lack of greatness
- (c) A definition of that which is important to each world in terms of categories of objects (the *directory of objects and devices*), human beings (the *directory of subjects*), and verbs (*natural relationships between beings*) signaling relationships that are specific to each form of greatness
- (d) A *greatness ratio* specifying the nature of relationships between the great and the small, especially the way “great” persons, because they contribute to the common good, are of use to “small” persons
- (e) A *format of investment*, this being a major pre-condition for each *Cité*’s stability since, by linking greatness to sacrifice (which takes a specific form in each *Cité*), it ensures that all rights are offset by responsibilities
- (f) A *paradigmatic test* which, for each justificatory regime, best reveals a person’s greatness
- (g) A *harmonious figure of natural order*, conveying the ideal-types that correspond to the universes within which there has been a fair distribution of the quality of *greatness*

We analysed the two bodies of work through the filter of this analytical grid. It seems that the six justificatory regimes identified by Boltanski and Thévenot (1991) cannot fully describe all of the types of justification that can be found in the 1990s texts that we have studied. We think that a new and increasingly influential justificatory logic has cropped up, one that emphasises mobility, availability, and the variety of one’s personal contacts. To stress its novelty and specificity, we have encoded this logic as a seventh justificatory regime, a Projects-oriented *Cité*. This refers to a form of fairness that is appropriate in a world which is organised by networks (still described as being connexionist and reticular in nature). Table 3 offers a brief look at the characteristics of this latest *Cité*.

Hypothesizing the emerging of a new *Cité* where the relevant tests deal with the establishment of connection does not imply that forming networks is something drastically new, as some recent network studies seem to suggest. Our stand is different. Networks, however large, are not any newer than the market was when Adam Smith wrote *Wealth of Nations*. But, it seems that it was not until the last third of the twentieth century that mediating—the art of connecting and making use of the most diverse and furthest ties—became autonomous, set apart from other activities behind which it had until then been



**Table 3** The grammar of the project-oriented justificatory regime.

Seventh justificatory regime	
Equivalency principle (general standard)	Activity; project initiation; remote links between people
A state of smallness	Inability to get involved, to trust in others, to communicate; close-mindedness, prejudice, authoritarianism, intolerance, stability, over-reliance on one's roots, rigidity, etc.
A state of greatness	Adaptability, flexibility, polyvalence; sincerity in face-to-face encounters; ability to spread the benefits of social connections, to generate enthusiasm and to increase teammates' employability
Directory of subjects	Managers, coaches, innovators
Directory of objects	Computer and information technologies; New organisational devices (sub-contracting, flexibility, outsourcing, autonomous units, franchises, etc.)
Natural relationship	Trusting and being trustworthy; ability to communicate; adaptability to others' needs
Greatness ratio	"Great" persons enhance "small" persons' employability in return for their trust and enthusiasm for project work, i.e., their ability to take part in another project
Format of investment	Ready to sacrifice all that could curtail one's availability, giving up lifelong plans
Standard (paradigmatic) test	Ability to move from one project to another
Harmonious figure of natural order	Where the world's natural form resembles that of a network

hidden, and was identified and valued in itself. This process, we believe, is what constitutes an important novelty.

In the Project-oriented *Cité* the general standard, with respect to which all persons' and things' greatness is evaluated, is *activity*. Contrary to what happens in the Industrial *Cité*—where activity means “work” and being active means “holding a steady and wage-earning position”—in the Project-oriented *Cité*, activity overcomes the oppositions between work and no-work, steady and unsteady, paid and unpaid, profit-sharing and volunteer work, and between that which can be measured in terms of productivity and that which cannot be assessed in terms of accountable performances. Life is conceived as a series of projects, all the more valuable when different from one another. What is relevant is to be always pursuing some sort of activity, never to be without a project, without ideas, to be always looking forward to, and preparing for, something along with other persons whose encounter is the result of being always driven by the impulse of activity.

When starting on a new project, all participants know that it will be short-lived, that it not only may but surely will one day come to an end. The perspective of an unavoidable and desirable end is encapsulated in the very involvement, without curtailing the enthusiasm of the participants. Projects are well adapted to networking for the very reason that they are transitory forms: the succession of projects by multiplying connections, and an increasing number of ties resulting in the expansion of networks.

In the Project-oriented *Cité*, a “great one” must be adaptable and flexible. He or she is polyvalent, able to move from one activity, or the use of one tool, to another. A “great one” is also active and autonomous. He or she will take risks, make contact with new people, open up new possibilities, seek out useful sources of information, and thus avoid repetition.

Still, these qualities by themselves cannot suffice to define the state of “being great” because they could also be implemented in an opportunistic way, to pursue a strictly selfish course towards success. By contrast, in our model a “great” person will take advantage of his/her given qualities to contribute to the common good. In the Project-oriented *Cité*, a “great one” therefore also generates a feeling of trust. He or she does not lead in an authoritarian way, as did the hierarchical chief. He or she manages his/her team by listening to others with tolerance and by respecting their differences. He or she redistributes between them the connections he or she has secured when exploring networks. Such a project manager hence increases all his/her teammates’ *employability*.

As each justificatory regime is associated with a specific vocabulary, we used a lexicographic software to analyse the lists of names that are associated with each regime, and then tried to find out which *Cités* cropped up most frequently in both bodies of work. The presence of a *Cité* is measured here as the number of times that the category which had been created to represent that justificatory regime appeared in a given body of work (cf. Table 4.)

Our first observation, an unsurprising one given that the aim of both our two samples was to improve the organisation of work, is that the Industrial logic dominated during both periods—with references to this logic having been generally positive during the 1960s, yet often critical during the 1990s. The predominance of an Industrial logic was clear-cut during the 1960s, but much less so in the 1990s. Note the ratio between the number of times it occurred in each sample, and the number of times each decade’s second-place logic occurs. In the 1990s, the Industrial logic’s relative importance is diminished by the many representatives of the Project-oriented *Cité* (a.k.a. Network logic), who were twice as numerous in the 1990s as the second-place logic had been during the 1960s.

The rising power of the second-place Network logic is definitely one of the major changes between our two eras. This means that with our theoretical construct of a Project-oriented *Cité*, we have succeeded in crystallising at least some of the new discursive aspects of the management texts being studied. Other logics that have also increased their presence include the Market logic—no surprise given the rise of a worldview based on increased competition, and which makes room for corporate reorganisations aimed at ensuring that all employees have a sense for the pressures and demands emanating from a firm’s clients. There has also been a strengthening of the Inspirational logic, which should be seen in light of the emphasis that was placed during the 1990s on innovation, risk, the permanent search for new solutions, highly personalised qualities, etc. As for the Domestic and Civic logics, they have lost ground in much the same way that the Industrial logic has also weakened.

**Table 4** The seven worlds’ presence in each of the bodies of work.<sup>a</sup>

1960s		1990s	
Industrial logic	6,764	Industrial logic	4,972
Domestic logic	2,033	Network logic	3,996
Market logic	1,841	Market logic	2,207
Civic logic	1,216	Domestic logic	1,404
Network logic	1,114	Inspirational logic	1,366
Inspirational logic	774	Civic logic	793
Renown logic	479	Renown logic	768

<sup>a</sup> The two bodies of work are more or less comprised of the same number of names in absolute terms.

Changes in France's capitalistic process between the 1960s and 1990s have been accompanied by a major re-ordering of the systems and values that are considered to be relevant and legitimate for the assessment of people, things and situations. More specifically, there have been changes in the mechanisms that are intended to ensure the fairness of work. Not only have firms altered the types of organisation they propose, but they have also changed behavioural norms, the definition of good and bad actions, and the sources of their justification. Reformulated using the language of a *Cité* model, a transformation of the sort can also be interpreted as a change in standard tests or in testing systems. This is because those concrete systems whose goal it is to inscribe the principles of fairness into the world are none other than tests themselves.

### Proposition of a Theoretical Framework for Analysing the Way in which Norms Change

#### Tests of Strength and Legitimate Tests

We make a distinction between two different test modes: tests of strength (*épreuves de force*); and legitimate tests (*épreuves légitimes*).

Of course, a test is always a test of strength. Yet a test can be considered to be legitimate as long as strengths are being measured according to the tenets of the particular *Cité* model within which it falls. An overriding requirement is the obligation to specify the type of strength that is involved in a specific test and to arrange a testing device that does not call upon the use of any other kind of strength. All in all, a legitimate test must always test something that has been defined, presenting itself as a *test of something*: for example, a test of industrial efficiency, market opportunism, respect for domestic duties, or even (the school system offers many examples) Latin or sociology. If a test is to be legitimate, the strengths upon which it focuses must undergo a process of qualification and *categorisation*.

By contrast, it is acceptable in a test of strength to mobilise any and all kinds of strength. Nothing is specified beforehand. Anything goes, as long as it is crowned with success. In a legitimate test, on the other hand, everything is not possible.

If a legitimate test relates to the work world, it may ultimately end up adding to the constraints that impede the process of capitalist accumulation. In other words, the spirit of capitalism, insofar as one of its components is an awareness of fairness, acts as a constraint on the economic process. Indeed, it is because of the existence of this constraint that the process is legitimised. We could even say that the price to pay, if people are to consider corporate activities and the organisational models they inspire to be legitimate, is the implementation of testing systems that act as a constraint upon firms' general management.

We are going to take one example of the way in which the accumulation can be constrained by references to that which is being required of a firm (expressed in terms of the common good, i.e., using the vocabulary of the present article in terms of the justificatory regime). In a Market *Cité*, the validity of profits (and of the societal order that results from the confrontation between the many different people who are also seeking a profit) depends entirely on whether the market test fully satisfies constraints such as the equality of chances—so that success can be fully attributed to merit alone (in the present example, to the ability to seize the opportunities that the market offers, and/or to the attractiveness of the goods and services on offer) rather than to any pre-existing balance of power. Amongst these constraints, note first and foremost the assurance that any given

situation will be a competitive one (marked by an absence of dominant positions, previous agreements and cartels), and that information will be transparent. As such, it is only under certain extremely restrictive conditions that a market test can be said to be legitimate. Moreover, the fulfillment of all of these conditions fails to provide, in and of itself, any specific contribution to the creation of profit. Quite the contrary, it can be a serious handicap.

At a broader level, in a society where much testing is subjected to the same constraints as those that feature in our definition of a “legitimate test,” the strength of society’s stronger members is diminished. This is because the ways in which the tests are formulated (attempts to make them “fairer”) tend to restrict opportunities for people who possess a diversified yet poorly defined set of strengths—forces that tend to be displaced, confused, exchanged, and extended for no other reason than the strategic necessities of a given situation. You cannot pay a literary critic so that s/he will recognise you as a great and inspired author; you do not become a chief of staff simply because you are the minister’s cousin, etc. Victory by any means is not possible.

And yet, tests of strength and legitimate tests should not be construed as standalone entities that exist in opposition to one another. There is a continuum between the two, leading to a situation in which tests are seen as being more or less fair. Moreover, we can always find out how it is that an action which stems from a test’s underlying strengths detracts from its avowed legitimacy. One example is the way in which the handicap of a child’s socioeconomic situation is recognised nowadays as something that affects scholastic performances without examiners having done anything explicit about it.

Each of these two types of tests (the test of strength and the legitimate test) corresponds to a specific mode of action. We call the first a “mode of categorisation” because an individual’s actions are publicly judged by other people. Here, judgement is based upon certain explicit and acknowledged principles of equivalency, many of which are legally enforced. As a result, this mode refers to social *conventions* that are imbued with a broad-based validity as well as with a certain type of externality, i.e., a form of transcendence. Consequently, such conventions can be envisaged independently of the situations in which they are acted out.

The second we call a “displacement mode.” This is because the orientation of the actions and the forces which it infers change depending on local circumstances and/or the degree of resistance they encounter. In this instance, the test is a test of strength. This is a mode that does not require anyone to make a judgement. Contrary to the categorisation mode, it does not refer to social conventions, and assumes neither externality nor generality. As such, displacement is always local, eventful, and circumstantial. It can easily be mistaken for randomness and is satisfied with a limited amount of reflexivity. Displacement can be described with reference to one plane only (that which Gilles Deleuze calls the “plane of imminence”). It thus avoids any justificatory constraint, constraint that would infer the necessity of referring to a second plane—precisely the same level that, within a logic of categorisation, serves as an embodiment of the equivalency convention.

Broadly speaking, changes in test systems seem to involve groups of actors trying to free themselves from that which keeps them from enjoying and from increasing their privileges. They do this by looking for new ways to succeed and to gain recognition without having to take currently legitimate tests. Such actors tend to avoid established tests by experimenting with hazardous, local, and often low-key *displacements*.

When they are successful, these displacements gradually modify the test system. They substitute new, less formalised, and less acknowledged tests for previous ones that (being well established, prominent, and often constrained by legal regulations) have been increasingly subject to criticism. In a given society, these displacements increase the relative

importance of tests of strength with respect to legitimate relationships based on institutionalised tests.

Yet new legitimate tests may emerge if at least one of the following two conditions is fulfilled.

1. If the people who have enacted these displacements think that they have strengthened their position and feel that they are entitled to specific acknowledgement, they may claim to have contributed, each in his/her own way, to the common good.
2. When the displacements that these people have carried out (shifts that others had heretofore deemed to be individual, circumstantial, or marginal in nature) start to be seen as something that is generally effective. These behaviours will then be subjected to criticisms that will equate these new devices (stemming as they do from previous displacements) to new tests that have not yet been identified or categorised.

Actors to whom such displacements have been beneficial can then develop, both for themselves and for others, a value (a “greatness”) that will convey their hold on the world. Moreover, by so doing, they can inject an autonomous moral dimension into their situation. They turn these new tests into something that is justifiable.

Along with this legitimisation process, norms are established (quite often through legal rules) so as to differentiate between morally acceptable and morally unacceptable and abusive (i.e., selfish) ways of making use of new resources.<sup>4</sup>

### The Role of Criticism

We have allocated an essential role to criticism in these *categorisation* and *displacement* interactions, which enable us to describe how testing systems are being transformed. The concept of criticism lies outside of the theoretical polarisation that exists between interpretations that are based on the balance of power and those that are based on the legitimacy of the relationships involved. The very idea of criticism only makes sense if it is seen as the difference between a desirable state of affairs and a real situation. To be valid, a criticism must be able to justify itself, that is, cast a spotlight on the normative foundations upon which it is based, especially when it is dealing with justifications such as those whose actions are the object of the criticism itself. A criticism therefore continually refers to the idea of fairness—for if fairness is an illusion, why criticise at all? Yet on the other hand, a critic builds up a world in which the need for fairness is continually being ignored. S/he reveals the hypocrisy of the moral pretensions that actually hide realities such as the balance of power, exploitation, domination, etc.

Criticism and testing are closely interrelated. Criticism leads to testing inasmuch as it questions the existing order and casts suspicions on the relative strengths of each of the parties that comprise this order. Testing on the other hand, particularly when it pretends to

<sup>4</sup> In this perspective, a *Cité* appears as a self-referenced critical device that is part of (imminent to) a world that is in the process of being built and which needs to set up bounds for itself if it is to last. In *Le Nouvel Esprit du Capitalisme* we argued that capitalism’s transformation over the past three decades has made it possible both for a world that we call “*connectionist*” (i.e., self-described, using the network metaphor) to unfold, and also for an increase in the number of people who are justified in becoming *mediators*. Here we are arguing that the creation of a *Project-oriented Cité* is intended to *legitimise* the connectionist world and *restrict* its practices in such a way as to substantiate the affirmation of a justificatory constraint that acts on behalf of the common good.

be imbued with legitimacy, is subject to criticisms that hone in on the injustices that have been caused by the actions of hidden forces.

As such, we can consider that there are two ways of criticising tests.

The first has a *corrective* purpose. The criticism unveils that which during the tests in question has transgressed the fairness requirement, and more particularly, the strengths that some of the protagonists, unbeknownst to the others, have started to mobilise (thus gaining an undeserved advantage). The purpose of criticism in this case is to improve the fairness of the test (we would say, to tighten it up); to ensure that the test is rooted in widely accepted conventions; and to enhance the regulatory or legal framework within which it is encased. Institutionalised tests such as political elections, scholastic examinations, sporting competitions, face-to-face negotiations between social constituencies etc., are other products of a type of work in which fairness is enhanced through a process of “purification.” Their aim is to only admit those strengths that are deemed to be coherent with that particular type of test. Nevertheless, such tests must continually undergo further improvements and are therefore subject to criticism. The purifying process is in fact an unending one, inasmuch as ontologically there are an unlimited number of relationships that can be used to judge the people involved.

A second way of criticising tests might be termed the *radical* method. Here the challenge is no longer to correct the test so as to make it fairer but to eliminate and possibly replace it with another one. This time it is the very validity of the test itself (and thus the factor that conditions its very existence) that is being contested.

At this point, we should discuss possible outcomes for corrective criticisms of any given society’s central institutionalised tests. If the tests being criticised are considered to be legitimate (i.e., if their justification revolves around the same normative positions as those which the criticism itself invokes), it is impossible for those who are responsible for their actual administration to continue to ignore the comments that are being made about them. To remain legitimate, they must incorporate a response to this criticism. This can either consist of showing how the criticism is wrong (in which case convincing evidence must be provided) or else it can involve tightening up the test’s control, cleaning it up in such a way as to ensure that it is more in line with the underlying fairness model. This is what happens, for example, when following a series of criticisms an examination that had originally borne the names of the people being tested becomes an anonymous one.

However, there is another possible reaction to the corrective criticism of a test. This consists of trying to circumvent this criticism instead of answering it. It may be in the interest of a certain number of actors for the test to lose some of its importance, i.e., for it to become relatively marginalised, especially if it becomes too difficult to answer criticisms that are constantly being renewed and which therefore force the test organiser to tighten it up and increase its total cost. In lieu of a direct criticism of these institutionalised tests, a proposition that would be too expensive (above all in terms of legitimacy), they end up having to look for sources of profits that are new and based on *displacements* which are local, of little significance, not very visible and multitudinous.

These displacements can be geographic in nature (delocalisation towards regions where workers are inexpensive and where labour law is underdeveloped and/or rarely respected). One example would be where companies decide that they do not want to improve the breakdown of revenues between wages and profits, if this is what critics are demanding. Environmental legislation provides an analogous situation. Another example would be a firm’s modification of its career-related criteria for success after it has decided either to circumvent its customary career management procedures or else to eliminate formal

(graphological, psycho-technical etc.) testing during its recruitment process—actions that are often seen as being too expensive.

Another consequence of this new type of reaction to criticism, involving the use of displacement, is that it temporarily disarms criticisms by presenting critics with a world that they no longer know how to interpret. The criticisms and systems of criticism that are associated with a previous spirit of capitalism are barely relevant to new forms of testing that have not yet been subjected to any attempts at recognition, institutionalisation, codification or categorisation. This is because one of the primary tasks of criticism is in fact to identify the main tests of a given society, and to clarify and/or incite protagonists to clarify the principles underlying these tests so that it is subsequently possible to carry out a corrective or radical (reformist or revolutionary) criticism—depending on which options are available at the time, and on the strategies of the persons who are involved.

Criticism can thus impact testing in several ways.

- (1) It is the role of criticism to identify those tests that are truly important to a society by exposing its “tests of strength” in broad daylight. Here criticism proceeds by categorisation, that is, by organising a series of individual situations that are shown (by the criticism) to have something in common—in this instance, the fact that they determine people’s position in society, and thus their comparative social value.
- (2) Criticism of the tests’ format can purify the tests (tighten them up) in terms of the fairness that they embody. The purpose is to ensure that strengths that should not feature in the test are not in fact a part thereof—or else to promote the implementation of procedures and regulations that make the test fairer.
- (3) Criticism is responsible for continually keeping an eye on a society’s central tests, ensuring that legitimate tests respect the agreed format, and that variances from this format are denounced.
- (4) Inversely, criticism can try to get certain tests eliminated in the name of the general desire to see changes in the currently prevailing system of values. In this instance, criticism helps to delegitimise the tests, not from inside the system (as is the case with the strong members of a society, those who have succeeded at the tests without having had to pay their real cost) but from the outside. The idea here is that it is unacceptable for evaluations and selections to be made on the basis of certain principles that should in fact be abolished.

### Applying the Model to Changes in France Between 1968 and 1995

Since the spirit of capitalism that prevails during a particular era contributes to the building of a legitimate test that can be used in capitalist work situations, the aforementioned criticisms are actually aimed at the capitalist system itself.

Criticism of capitalism is as old as capitalism itself. Capitalism is in need of justification for the very reason that it is criticised. Where there is no criticism, there is no need for justification (and then for something like a spirit of capitalism). We have therefore distinguished between the two types of criticisms that have developed since the nineteenth century.

We label the first “social criticism.” Here the emphasis is on inequalities, misery, exploitation, and the selfishness of a world that stimulates individualism rather than solidarity. Its main vector has been the labour movement.

We label the second form of criticism (which Chiapello (1998) studied in her previous book, *Artistes Versus Managers*, derived from Grana’s book *Bohemian versus Bourgeois*)



“artistic criticism.” This form first emerged in small artistic and intellectual circles, and stresses other characteristics of capitalism. In a capitalist world, it criticises oppression (market domination, factory discipline), the massification of society, standardisation, and pervasive commodification. It vindicates an ideal of liberation and/or of individual autonomy, singularity, and authenticity.

What underpins the transformation that took place between the second spirit of capitalism (still found to a large extent in our sample of 1960s management literature) and the third spirit (illustrated by our 1990s management literature)? We have tried to explain this movement without relying entirely on devices that are determined mechanically (and therefore, to a certain extent, fatalistically), as is often the case when the entire emphasis is being placed on globalisation, market development, and technological transformations. Our account is drawn from French examples. Yet we believe that it can be more broadly validated, albeit with specifications that take into account the particularities of the different Western societies.

Here, summarised in a very brief form, are the various stages of this transformation.

- (a) From 1965 to 1975, there was a very significant increase in the criticism of capitalism. The absolute peak was 1968, but this high point lasted for a period of several years. This criticism threatened to generate a major crisis in capitalism. Far from being nothing more than a verbal outburst, this criticism was accompanied by waves of strikes and violence. It disorganised production in such a way as to diminish the quality of industrial goods and, according to some estimates, cause a doubling in wage costs. There were criticisms levied at almost all of the established tests upon which the legitimacy of the social order had been based. These criticisms included:
- 1 Tests that served as a foundation both for the salary/profit breakdown as well as for the way in which the value added was being shared between shareholders and wage earners
  - 2 Tests that legitimised power asymmetries and hierarchical relationships (not only in the workshop but also in schools and even in families)
  - 3 Tests that served as a basis for social selection (scholastic examinations, professional recruitment, career planning, etc.)

Criticism unveiled those elements that, in the most prominent of these tests, were infringing upon social justice. It especially unveiled those hidden forces that disrupted the tests by pointing out the unwarranted advantages that were accruing to certain protagonists.

This high level of criticism alarmed many capitalist institutions' leaders. Employers, in particular, through the voice of their representatives, complained of a “crisis of authority” and of the refusal to conform to work discipline and/or adhere to a firm's objectives. This was said to be especially rife amongst the youth of the time.

One significant specificity of the 1968 crisis was that both types of criticism, *artistic criticism* and *social criticism*, were equally important in the process. In previous crises, artistic criticism had only been expressed in circumscribed intellectual circles. This transformation can be attributed to the rapid increase in the number of students during the 1960s, and to the increasingly important role that managers, engineers, and technicians (all of whom possess a significant amount of cultural capital) were playing in the production process.

In the French business world, artistic criticism manifested itself mostly through demands for self-management (mainly expressed by the CFDT union), that is, through demands for employee control of firms' management, and for enhanced personal autonomy and creativity. Such demands were voiced for the most part by technicians, engineers, and executives. By

contrast, traditional social criticism demands were primarily voiced by the CGT union (a union that was closely related to the Communist Party, dominated by skilled workers, and in the majority on most shop floors).

French employer organisations successively tried two very different ways of exiting from the 1968 crisis.

*First exit strategy* Around 1968–1973, a first exit strategy consisted of strongly rejecting those demands that were related to artistic criticism, whilst remaining attentive to those demands that were related to social criticism. Employer organisations therefore sought to come to terms with the unions through a test process that had been established during the 1950s (negotiations within a collective bargaining framework, negotiations at a national level under State control, etc.). And the unions, who were also frequently disorientated by social unrest that they themselves had not initiated, played the game. These negotiations lead to increases in the country's lowest wage levels, a lessening of wage disparities, and to the signing of a number of national agreements that strengthened workers' job security. As for tests involving the selection of people and the allocation of authority, criticism ultimately led to the creation of tests that were fairer, in that they were closer to the meritocratic ideal. This was achieved through a modification of test mechanisms, which were altered in such a way as to avoid any mobilisation of strengths that did not belong to the test's official definition.

Criticism thus had the effect of making the tests, in our vocabulary, tighter. A tighter test penalises those actors who had previously found themselves in a privileged position, that is, who had had easy access to the different resources that, in the various test situations, could give them an advantage over their competitors.

*Second exit strategy* The growing recognition of these socially critical demands (and of their high economic and symbolic costs) did little to put an end to the crisis. Criticism thus remained acute, as did the disorganisation of production. Around 1975, employer organisations, reacting to lower profits following the first oil crisis, began to adopt a new strategy. This involved an abandonment of established tests (where social criticism was being voiced), with employers starting to listen to new critical demands proceeding from the "artistic criticism."

Change was especially apparent in organisation of work. A great many large companies innovated and experimented in an effort to "improve working conditions"—a phrase that became a general slogan for employer organisations during the latter half of the 1970s. At first these changes were implemented locally and almost haphazardly. Subsequently, those that proved to be successful were diffused and coordinated by employer organisations. These organisations, influenced by sociologists and by the new "kinds" of consultants who came out of the 1968 movement, formed a new understanding of the crisis, interpreting it as an uprising against obsolete (i.e., Fordist) working conditions and traditional forms of authority.

To a large extent, these changes involved acknowledging the validity of the demand for autonomy. In addition, advantages that had hitherto been restricted to executives (autonomous teams, flexible schedules, bonuses, efficiency-related salaries, etc.) were generalised to all categories of management. At the production organisation level, similar types of changes took place. A succession of transformations broke down large integrated companies into a series of small units that were connected through a network of contracts (temporary work, sub-contracting, outsourcing activities that did not belong to the company's core business, etc.).

In short, this “second exit” involved abandoning the previous system of established tests (professional relationships) in favour of a series of *displacements*. These displacements produced new tests (for example, new requirements for operatives whose ability to communicate became an important pre-requisite for their selection). Yet these new tests were difficult to identify per se by the people whom they affected, insofar as they had not yet been subjected to any qualification, categorisation, and regulation initiatives.

During the 1980s, one of the consultants’ main tasks was to coordinate and make sense of these changes, notably by interpreting them through the language of networks, itself borrowed from the field of social sciences. The “second exit” succeeded where the first had failed. Displacements gave management the opportunity to control the workforce once again. It unfettered capitalism, and helped it to renew its expansion.

The new capitalist deployment was greatly facilitated by critics’ silence during this period of time. And to a large extent, this silence was the product of preceding displacements, on two levels at least.

Social criticism, usually voiced by the principal labour unions, was disarmed by a form of change it could not interpret. It had been built in an isomorphic relationship to its opponent, the large integrated firm. It therefore lost its ability, in the new process, to exert pressure on employers’ decisions.

Artistic criticism, on the other hand, lost its edge for a very different reason. Many of those who had been voicing this form of criticism at the time of the 1968 crisis had become satisfied with the changes that had taken place in the organisation of work and, more broadly, in society. The incorporation of many components of artistic criticism into the new spirit of capitalism had deprived earlier critics of reasons for feeling discontented—and rendered them insensitive to the superficiality of the achievements of the so-called liberation movement. Moreover, in the Socialist era that has been France’s hallmark since 1981, many supporters of artistic criticism have been co-opted into the power elite.

Capitalism’s renewed growth during the 1980s was largely due to its ability to overcome the constraints that were a part of the second spirit of capitalism, and render them obsolete. Changes in the nature of tests, and silence from disorientated critics, enabled capitalism to spread once again, freeing it from most of the constraints that it had previously had to face. One outcome of this process was that the wage/profit ratio again began to benefit capital. The cost was rising inequality, precarious working conditions, and the impoverishment of many wage earners.

Worsening conditions for a great many individuals brought criticism back to life in the 1990s—as shown by the wave of strikes that hit in late 1995. Criticism’s current renewal is mostly apparent in the field of social criticism, with artistic criticism remaining silent or becoming standardised (hence inefficient). This renewal of social criticism raises the question of how new tests can be tamed and rooted in new regulations—one of the main concerns being the way in which flexibility can be structured. It is possible that the aim of many of the measures that are currently being explored in France is to embed the Project-oriented *Cité* in devices that are stable in nature. One example is the “activity contract” (*contrat d’activité*) which, when combined with an employment contract, allows workers that a firm cannot or does not want to keep to seek further training or employment with a non-profit organisation.

Of course, this is the history of France, a country characterised by almost uninterrupted Socialist rule since 1981, and therefore a society that has handed power over to those who in 1968 had been demonstrating in the streets under the banner of artistic criticism. The history of Great Britain is a very different one, having been marked by the Thatcher revolution. Indications are that different organisational models and spirits of capitalism will

ultimately prevail in each of these two countries: that they will be more market-oriented in Great Britain (in the sense that our justificatory regime analysis lends to this term); and more “connectionist” in France.

## Conclusion

In “The New Spirit of Capitalism,” a research project that was briefly summarised in the present article, we tried to offer an interpretation for a movement which started right after May 1968 (when criticisms of capitalism were rife); which lasted throughout the 1980s (when the organisational forms underlying capitalism’s functioning were experiencing profound modifications even as critics maintained their silence); and which ultimately lead, in the latter half of the 1990s, to many tentative searches for new foundations of criticism. The concept of a *spirit of capitalism* is key in this study. It allows us, as we have already seen, to dynamically articulate the two other central concepts upon which our analyses are based: *capitalism* and *criticism*.

However, the research carried out so far was not only intended to provide a credible and novel description of this period. Our intent with the present historical example was also to propose a more general theoretical framework, thus enabling greater understanding of how the ideologies that are associated with economic activities can be modified.

Here are the main characteristics of the model of change that we have tried to develop:

- (a) It stresses actions by people who face uncertainty and often conflict, and it refuses to explain change by the actions of impersonal and inevitable forces.
- (b) It focuses on the concept of testing, alternating between two test regimes. The first one (the categorisation regime) describes acknowledged, established and regulated tests upon which criticism can act. The second one (the displacement regime) features a series of deviations from established tests that can modify selection trajectories and profit strategies, requiring no more than a modicum of reflexivity, categorisation, and disorientating criticism.
- (c) Finally, this is not a teleological model. There is no time arrow reaching towards some messianic horizon, be this Development and Progress, Revolution, or of “the end of history.” Criticism’s work is an unending one. It must constantly be renewed.

We may be criticised for having used a local example (France over the past 30 years) to exemplify a global change. We certainly do not feel that the French example can in and of itself recapitulate all of the transformations that capitalism has experienced. However, as we have been far from convinced by the approximations and imprecise portrayals that are usually heard in discussions on globalisation, we have tried in the present article to build a model of change that is based on pragmatic analyses, i.e., on models that are capable of accounting for the various ways in which people commit themselves to an action, their motivations, and the meaning that they give to their acts. Now, this sort of initiative remains, essentially for reasons of time and resources, basically undoable at a global level, or even at a continental one, given the way in which national traditions and political situations continue to affect the orientations of economic practices (and the accompanying forms of ideological expression). In all likelihood, this is the reason why global approaches often end up by attributing a preponderant role to explanatory factors (usually technological, macro-economic or demographic in nature) which are dealt with as if they were forces that exist outside of the human condition, and out of the reach of nations who are subjected to them much as people are subjected to a storm. In this historical neo-darwinism, “mutations” happen

to us much as they happen to species and it is up to us to adapt to them or else die. Humanity however does not only submit to history, it creates it. We have wanted to see how this works.

## Appendix 1

Exemplifying Several Comments with the 1990s Body of Work

### *The Problems that Have Been Identified*

The 1990s authors' *rejection of hierarchy* is especially noteworthy given that their readers are essentially comprised of managers from large corporations—professionals who despite all of their efforts will find it difficult to avoid working within the strictures of a hierarchical framework. The explanations that are used to highlight this anti-hierarchical bias are often moral in nature, and should be analysed as part of a more widespread rejection of domination-driven relationships (see Extract 1). They are also scrutinised in light of another irresistible societal trend, which is that people not only do not want to take orders anymore, but they do not even want to give them (2). For other authors, a general raising in the standard of education explains why hierarchy has become an outdated organisational model (3). And whilst hierarchy is a favourite target for many critics, others also attack planning (denounced for its excessive rigidity) as well as all of the categories that are generally associated with the wielding of authority (bosses, chiefs, superiors, orders, etc.).

Competition was another recurring theme during the 1990s, as was the unending and increasingly rapid change in technology (already a subject of discussion during the 1960s). This latter topic reached unprecedented levels, with the vast majority of texts giving advice on how to set up the sort of flexible and inventive organisation that is able to “surf” all “waves,” i.e., adapt to all transformations. In the 1960s, the main goal was the loosening of bureaucratic restraints, and observers at the time kept well away from aiming their criticism at the fundamental principles of organisation (e.g., Fayol's often used concept of unique reporting line etc.). In the 1990s, however, with the subversion of the hierarchical principle, there was something of a “big bang”—an expression coined by Peter Drucker, the seasoned guru, who after having been a particularly influential proponent of management by objectives during the 1960s, now foresaw the existence of “upside down” organisations. Another major figure in management literature, Rosabeth Moss Kanter, has also explained that there will necessarily be a time in the future “when the giants learn to dance”—this having been the title of her best-seller (Moss Kanter, 1992).

### Extracts:

1. The organisational and the pyramidal hierarchies ... indicate who knows how to manage, who is able to manage, and who has to be the one who is going to manage, as opposed to those who don't know how to manage or who are incapable of doing so. Even with the best will in the world, the only kind of interpersonal relationship that can occur in conditions such as these is the sort of relationship that exists between a person who expresses scorn and a person who is a target of scorn. This is because “those who do not know how to manage, and/or are incapable of doing so” find themselves from the very beginning in a position of de facto inferiority—as if they have been turned into children... (Aktouf, 1989).

2. Along with increased individualism, the irresistible move towards freedom of choice in all areas has generated greater demands and opportunities for personal autonomy. The era of staff sergeants is over. Not only do subordinates no longer accept authority, but hierarchical superiors are themselves less and less capable of wielding it—even though more and more discipline is needed to respond to the demands of a complex environmental (Crozier, 1989).
3. Given that modern organisations are comprised of “erudite” specialists, they have to be an association between equals, colleagues, associates... No particular type of knowledge dominates. Everyone is judged according to his/her contribution to the common good and not in light of the allegedly inherent superiority of the function that s/he fulfils. The result is that a modern organisation cannot be an association of bosses and subordinates—it has to be an organised team (Drucker, 1993).<sup>5</sup>

### *The solutions*

The systems that the 1990s authors have offered for coping with the issues that they have identified form a vast potpourri of managerial innovations. Nevertheless, we can try to organise these ideas around a few key ideas: *lean* companies that work in *networks* involving a wide range of actors; team-based or *project-oriented* work organisation, geared towards customer satisfaction; and workers’ overall enthusiasm thanks to the *vision* of their leaders.

Lean, “light” and “fat-free” firms have got rid of most of their hierarchical echelons. They only maintain between three and five levels, and have fired entire hierarchical strata. They have also separated from a large number of functions and tasks, and subcontract everything that is not part of their core business, sometimes to former employees turned entrepreneurs (N.T.: in a process called *essaimage* in the French, literally the workings of a beehive). Firms’ investments are increasingly made in collaboration with other companies via “alliances” and “joint ventures”; and the stereotype of the modern company has become that of a slim-lined core, which is surrounded by a potpourri of suppliers, subcontractors, service providers, temporary personnel (this allows staff numbers to adjust to levels of activity), friendly firms, etc. Such constellations are said to be working in “networks.”

We are told that the workers themselves must be organised into small multidisciplinary teams (deemed to be more competent, flexible, inventive, and autonomous than the specialised departments which had been the hallmark of the 1960s); that the real boss of these teams is the customer; and that the person who is actually running them is more of a co-ordinator than a chief (cf. Extract 4). Moreover, such teams are not solely comprised of a firm’s permanent staff members. They can also include suppliers, customers, consultants, and outside experts. Plus, the members of the team do not all necessarily have to work in close physical proximity to one another—improvements in telecommunications having made it possible to collaborate from remote locations. Once again, this is said to be an example of working in a “network.” The company’s borders blur or fade away, and the organisation itself seems to be made of little more than an accumulation of more or less durable contractual relationships. Teams become a forum for self-organisation and self-control.

These new systems have led to the weakening of the hierarchical principle. Organisations have become *flexible*, *innovative*, and highly *competent*. Network organ-

<sup>5</sup> N.T.: some of the extracts cited have been translated back into English from their French translation. The wording may therefore differ slightly from the original text, and as such these extracts should be considered as a paraphrasing rather than as a quotation.



isations have made it possible to get rid of costly hierarchies—structures whose only purpose had been to serve as a “relay” for senior management, and which had therefore provided no “added value” for the customer.

#### Extracts:

4. Process teams, whether comprised of one or several individuals, don’t need bosses. Instead, they need coaches ... Traditional bosses define and distribute the workload. Now teams take care of this themselves. Traditional bosses supervise, oversee, control, and verify the workflow as it progresses from one workstation to the next. Now teams take care of this themselves. There is little room for traditional bosses in a reconfigured environment (Champy and Hammer, 1993).

The thorny problem remains of how a firm’s overall direction is to be managed—an issue with which the authors in our sample are still grappling. The existence of networks does not mean that firms no longer exist as separate entities, i.e., that they have been diluted by the network(s) within which they work. A firm’s senior managers will still devise the competition strategies that allow it to do battle with other multinationals (on those markets where they do not collaborate). Moreover, the *self-organised* and *creative* individuals who are henceforth responsible for a firm’s performance still need to be directed. This direction will be the work of few persons—managers who in any event should be distinguished from earlier, “hierarchical chiefs” Now we have *leaders* with *vision* (c.f., Extracts 5, 6). Thanks to a shared *sense-making* in which all participate (the aforementioned “vision”), everyone knows what s/he has to do without being ordered to do so. A strong management direction is clearly felt without there being any need to issue orders, and personnel can continue to be self-organising.

The 1990s authors write in terms of “managers” as opposed to *cadres*, highlighting those human qualities that have adapted best to capitalism’s current requirements, and to the environment of “uncertainty” and “complexity” that firms have been plunged into. Managers are neither seeking to command, nor to order people around, and employees are not waiting for orders before acting. Everyone has understood that such roles are out of date. Managers have become “team leaders,” “catalysts,” “visionaries,” “coaches,” and “drivers.” The “driver” (N.T.: *donneur de souffle* in the French, literally “the person who provides the breath”) is a character that was invented by Hervé Sérieyx. Like other 1990s authors who lacked the appropriate vocabulary to describe the new corporate hero, Sérieyx was forced to make up his own expressions. Rosabeth Moss Kanter talks about “corporate athletes,” Meryem Le Saget about “intuitive managers” and Lionel Bellenger about “pros” (7). Other terms such as coach, team leader, or “midwife” are used by several different authors.

#### Extracts:

5. Vision, a commodity that creates enthusiasm, is not just a mission—it is also a powerful magnet. Like all great challenges, vision awakens collective capacities (Crozier and Sérieyx, 1994).
6. The leader is a person who has been given this role by the group—the person with whom each individual in the group consciously or subconsciously identifies. Thanks to his/her influence, visionary artistry and orientations, the leader creates a current that spurs people into transcending themselves; into trusting others; and into showing initiative (Cruellas, 1993).
7. We don’t even possess an appropriate vocabulary for discussing these new types of relationships. The terms “superiors” and “subordinates” hardly seem precise enough.



Even words like “boss” and “employees” imply concepts of control and/or rights which managers do not always actually have (Kanter and Moss, 1991).

With the decline in nearby hierarchical control, there have been increasing references in management (and indeed in micro-economic) literature to the idea of *trust*. Trust is that which unites team members amongst themselves: a firm with its leader; a coach with the person s/he is helping; or partners within an alliance. Trust presupposes self-control—it focuses on the existence of secure relationships in situations that are otherwise based on nothing more concrete than words and/or moral contracts. Indeed, trust possesses a moral dimension, whereas control by a third party is little more than the expression of a relationship that is based on the domination of one party by another (8).

Extract:

8. The balance of power is no longer a salient issue when the main objective is the creation of a sense of belonging, a feeling of satisfaction with and trust in one another (Aktouf, 1989).

*What is Being Rejected*

To promote these new organisational forms, the 1990s authors (like their 1960s predecessors) also criticised and delegitimised those contemporary aspects of organisations that they deemed to be obsolete in efficiency terms, and outdated from a human relations perspective. However, this time around criticisms no longer target arrangements that could once have been accused of transposing the domestic world in the work world. Instead, they target a type of organisation that had been praised during the previous era for its clear-cut separation between private family life or personal relationships, on one hand, and professional and/or work relationships, on the other. During the 1960s, this separation was supposed to ensure that competency was the only criterion for professional success, and certain authors worried about the breakdown between the amount of time that people spent resting and/or with their family against the amount of time they spent working. During the 1990s, management authors rebelled against this separation, considering it to have a mutilating effect insofar as it separates aspects of a person’s life that should not be dissociated from one another; inhuman because it leaves no room for a person’s emotional makeup; and inefficient because it hampers flexibility and inhibits the multiple competencies that need to be implemented in order to learn to “live in a network” (9, 10).

To describe the large impersonal organisations that had been inherited from the preceding period, 1990s managers appropriated a term of Weberian sociology that had been particularly popular between 1940 and 1960 due to that era’s Trotskyist criticisms of State apparatuses in totalitarian regimes: *bureaucracy*, with its connotations of authoritarianism and arbitrariness, the blind and impersonal violence of cold-hearted monsters, inefficiency, and resource wasting. Not only were bureaucrats inhuman, but they were also unprofitable. The goal of the battle that was waged during the 1990s became the wholesale *elimination* of a *business model that had been forged during the preceding era*. This involved both the delegitimisation of hierarchy, planning, formal authority, Taylorism, “managerial [*cadre*]” status, lifelong careers with one and the same firm, etc., as well as the reintroduction of criteria such as individual personality and personal contacts—factors that had fallen by the wayside over time. This was not an attempt to return to the initial spirit of capitalism: firms

are bigger than ever; managers are professionals and not small owners; and the work world nowadays involves a network approach rather than a domestic framework.

Extracts:

9. Professional life is the perfect embodiment of rationality. It is very different from people's private lives, this being an area of subjectivity, of search for meaning and expression of personal values. These two existences are hermetically sealed from one another ... Whenever personal elements are incorporated into business-related judgements, there is the feeling that one's private life is running the risk of being infringed upon by the firm. Yet nowadays it is clear that this sort of outlook ... has become totally obsolete. Developing a vision of a company's future, devising strategies, motivating work groups, creating networks of relationships—all of these actions call upon qualities that go well beyond simple technical competency. They mobilise a person's complete personality (Landier, 1991).
10. The demands that are being made of us require that we abandon this split between our professional and our private beings, between our rational and intuitive selves, between that which is natural and that which is manmade, between the brain and the heart (Sérieyx, 1993).

*(Job) Security Through Employability*

Simply asking which (job) *security* assurances feature in modern management texts creates an initial difficulty for us. Security was not a dominant value during the 1990s. At the time, this factor was associated with commonly denounced evils such as status, hierarchy, and bureaucracy. This was very different from that which had been observed during the preceding era.

The most pugnacious author on this topic has turned out to be Bob Aubrey, who likes to remind his readers that Maslow's pyramid is a false scientific law (11). Notwithstanding this allegation, management authors also know that few people will feel attracted by their proposals if they don't offer any new forms of security. They are aware of the need to propose something that can replace the hierarchical careers that had been such an integral part of the second spirit of capitalism. One suggestion has been that this format should be replaced by the idea of a succession of projects. In this conception, people no longer develop careers, rather they move from one project to another, with their success on a given project being that which enables them to accede to another, more interesting one. Each project is an opportunity to make many new acquaintances, and it therefore offers people the chance to earn a solid reputation and to be co-opted into a new activity. Moreover, given that each project, by definition, is different, new and innovative in nature, it can be presented as an opportunity for learning and for adding to one's own competencies—this being an advantage in finding other engagements (12, 13).

The key concept in this view of working life is *employability*. This notion is supposed to describe the ability that people must possess if they want to be asked to participate in a given project. The transition from one project to another is an opportunity to enhance one's employability. This is a personal capital that each individual has to manage in his/her own way. It is the sum total of a person's usable competencies. A firm will be seen as offering a certain form of security when it develops rather than destroys its employees' employability at those times that it is unable to avoid either dismissing

people or else when it cannot offer them a promotion (14). As such, the 1990s authors do offer several solutions for job security-related problems, even though their proposals lack an instrumentation that is comparable to that which had been on offer in 1960s writings on managing executive workforces—literature that had provided many details on the best ways to recruit and evaluate people, or on how to help them to develop. In the texts we read, there were hardly any systems for assessing employability, for verifying whether it is on the rise or else deteriorating, etc. One optimistic explanation for this would be that the texts from the 1960s involve a relatively late formulation of the second spirit of capitalism. This was an era during which the then current spirit had already been in place for quite some time. The 1990s texts on the other hand are associated with a brand new spirit of capitalism, one that is just emerging, and which has not yet reached the height of its motivational powers.

### Extracts:

11. Organisations nowadays have to assimilate a new reality, and treat each employee as if s/he were a firm. This change means that some of the suppositions that had dominated industrial society have to be abandoned, first and foremost, the idea that people are looking for job security. This is a 1950s concept born out of Abraham Maslow's famous "pyramid of needs," with its postulate that fundamental needs must be satisfied before we can even begin to consider other types of fulfillment. Now, not only is this thesis problematic from a theoretical perspective (how does it explain the fact that some people risk their [material] security to become artists or to start a new career?), but there is little justification for the way in which it has been interpreted in management circles, i.e., the firm's first responsibility is to create a secure environment, with fulfillment only coming at a later stage (Aubrey, 1994).
12. The post-industrial career is an unending sprint from one project to the next. The measure of success of a given project is the value that it adds ... Each person depends much more on his/her own resources rather than on the destiny of whatever company happens to be the titular employer at the time. Those who are not conversant in the art of climbing the hierarchical ladder tend to fall by the wayside ... Everyone has to create a personal portfolio of aptitudes, as firms no longer guarantee job security. And there is every chance that entire populations will learn new competencies during this process (Moss Kanter, 1992).
13. If the organisation of the future only features a few hierarchical levels (i.e., three or four instead of a dozen), there will be fewer echelons that candidates will have to succeed at before reaching a relatively senior position. Career development will entail more lateral and less vertical movement. With people accepting new areas of activity or other types of responsibilities, the focus will be more on learning and on broadening one's own experience than on acceding to a higher rank. In addition, this type of development will not automatically lead to increased remuneration. The times have changed, and so have the rules of the game. The career paths that people will be following are no longer clearly signposted. As a result, successful career management in this brave new world infers that people become actors in their own development, taking charge of their own future. No one else is going to be doing it for them (Le Saget, 1994).
14. Job security cannot be guaranteed. On the other hand, firms can guarantee "employability," that is, a level of competency and flexibility that will enable each individual to find a new job within his/her firm or outside of it (Aubrey, 1993).

## Appendix 2

Articles and Books Which Have Provided the Extracts of the 1990s Body of Work

*Texts Which Original Language is French*

### Articles

Adam Edmond, 1993, "Le Coaching Ou Le Retour Vers La Personne," *Management France*, no. 86, Nov, pp. 12–14

Arpin Roland, 1994, "Diriger Sans S'excuser," *Revue Internationale De Gestion*, vol. 19, mai, no. 2, pp. 55–61

Aubrey Bob, 1993, "Repensons Le Travail Du Cadre," *Harvard-l'Expansion*, Août, pp. 56–64

Aubrey Bob, 1994, "La Métamorphose Du Travail Conduit À L'entreprise De Soi," (présentation de son livre "Le Travail Après La Crise"), *Management France*, Fev, no. 87 pp. 22–23

Baron Xavier, 1993, "Les Enjeux De Gestion Des Salariés Travaillant Dans Les Structures Par Projets," *Gestion 2000*, no. 2, pp. 201–213

Desclée de Maredsous Xavier, 1992, "L'exercice Du Leadership Ou La Gestion De Sa Carrière Au Jour Le Jour," *Gestion 2000*, vol. 7 numéro spécial: "gérer votre carrière," pp. 105–126

Gastaldi Dino, 1990, "Le Métier De Cadre : Évolution Et Prise En Compte Du Management," *Direction et Gestion*, no. 126–127, pp. 57–62

Girard Bernard, 1994, "Vers Un Nouveau Pacte Social," *Revue Française De Gestion*, no. 100, sept, pp. 78–88

Lemaire Bruno, 1994, "Des Entreprises Sans Hiérarchie?," *L'Expansion Management Review*, automne, pp. 74–82

Midler Christophe, 1993, "La Révolution De La Twingo," *Gérer Et Comprendre*, Juin, pp. 28–36 Mai

Morin Pierre, 1994, "La Fin Du Management Romantique," *Management France*, no. 88, pp. 14–17

Raux Jean-François, 1994, "Management Et Mutations," *Futuribles*, no. 187, Mai, pp. 9–26

Serieyx Hervé, 1993, "A Propos Du Big Bang Des Organisations," *Management France*, no. 85, pp. 29–30

Strebel Paul, 1994, "Comment Faire Évoluer Les Règles Du Jeu," *L'Expansion Management Review*, Été, pp. 17–21

Weiss Dimitri, 1994, "Nouvelles Formes D'entreprise Et Relations De Travail," *Revue Française De Gestion*, no. 98, Mars–Avril–Mai, pp. 95–103

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Aktouf Omar, 1989, *Le Management, Entre Tradition Et Renouvellement*, Montréal, Gaëtan Morin

Archier Georges, Elissalt Olivier, Setton Alain, 1989, *Mobiliser Pour Réussir*, Paris, Seuil

Aubrey Bob, 1990, *Savoir Faire Savoir* (Prix Dauphine 1990), Paris, InterEditions

Aubrey Bob, 1994, *Le Travail Après La Crise*, Paris, InterEditions

Bellenger Lionel, 1992, *Etre Pro*, Paris, ESF

Bonis Jean, 1990, *Le Management Comme Direction D'acteurs: Maîtriser La Dynamique Humaine De L'entreprise*, Paris, CLET

- Crozier Michel, 1989, *L'entreprise À L'écoute. Apprendre Le Management Post-industriel*, Paris, InterEditions
- Crozier Michel et Sérieyx Hervé Eds, 1994, *Du Management Panique À L'entreprise Du XXIème Siècle*, Paris, Maxima
- Cruellas Philippe, 1993, *Coaching: Un Nouveau Style De Management*, Paris, ESF
- Doyon Christian, 1991, *L'intrapreneurship: La Nouvelle Génération De Managers*, Montréal, Agence d'Arc
- Ettighoffèr Denis, 1992, *L'entreprise Virtuelle Ou Les Nouveaux Modes De Travail*, Paris, Odile Jacob
- Genelot Dominique, 1992, *Manager Dans La Complexité*, Paris, INSEP
- Hec (Les professeurs du Groupe), 1994, "Management Et Ressources Humaines: Quelles Stratégies De Formation," *L'école Des Managers De Demain*, Paris, Economica pp. 245–268
- Landier Hubert, 1991, *Vers L'entreprise Intelligente*, Paris, Calmann Lévy
- Lenhardt Vincent, 1992, *Les Responsables Porteurs De Sens: Culture Et Pratique Du Coaching Et Du Team Building*, Paris, INSEP
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- Renaud-Coulon Annick, 1994, *L'entreprise Sur Mesure*, Paris, L'Harmattan
- Sérieyx Hervé, 1993, *Le Big-Bang Des Organisations*, Paris, Calmann Lévy
- Sicard Claude, 1994, *Le Manager Stratège*, Paris, Dunod
- Tarideu Michel, 1994, *Patrons-cadres: La Crise De Confiance*, Cahiers De L'institut De L'entreprise, Avril, pp. 20–26
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- Vincent Claude-Pierre, 1990, *Des Systèmes Et Des Hommes*, Paris, Editions d'Organisation

*Translated from English (US)*

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- Moss Kanter Rosabeth, 1992, *L'entreprise En Éveil*, Paris, InterEditions
- Peters Tom, 1993, *L'entreprise Libérée*, Paris, Dunod
- Quinn Mills D., 1994, *L'entreprise Post-hiérarchique*, Paris, InterEditions

- Tapscott Don, Castom Art, 1994, *L'entreprise De La Deuxième Ère. La Révolution Des Technologies De L'information*, Paris, Dunod
- Toffler Alvin, 1991, *Les Nouveaux Pouvoirs*, Paris, Livre de Poche
- Waterman Robert, 1990, *Les Champions Du Renouveau*, Paris, InterEditions

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