Danièle Fraboulet, Andrea M. Locatelli & Paolo Tedeschi (eds.)

Historical and International Comparison of Business Interest Associations

19th-20th Centuries
This book brings together selected essays on European Business Interest Associations (BIAs) as important components of European social and economic development over the last 150 years. The studies were originally presented at the 2012 World Economic History Congress, organized in association with an international research programme on BIAs in Europe. They adopt a historical research methodology with the aim of updating previous scholarship from within the social sciences; they also look at a number of different European countries, allowing for a comparative approach. They explore the roots and identity of BIAs, analyse their activities and examine their financing sources and strategies. Some essays discuss the decline of the old system of craft guilds and the emergence of new forms of economic organization and representation: new BIAs had to contend with the development of the trade unions and the growth of state economic interventionism and so they progressively increased their activities in order to serve European companies. Other essays present specific national examples of the evolution of BIAs throughout the twentieth century and also look at the development of Eurofederations.


Danièle Fraboulet is Professor of Contemporary Economic History at the University of Paris 13 - Sorbonne Paris Cité. She is currently managing a five-year research programme on Business Organizations in Europe in the nineteenth and twentieth centuries. She has published extensively on the history of French companies, entrepreneurs and business interest associations. Her other main research field is risk management of industrial hazards and accidents in the late nineteenth and twentieth centuries.

Andrea M. Locatelli is Assistant Professor of Economic History at the Catholic University in Milan, where he teaches Economic History and Business History. He has published on the economic development of the Lombardy region between the eighteenth and twentieth centuries and the evolution of the banking system in Italy. His recent research topics concern the history of Lombard business interest associations and the Italian fiscal and administrative system from the 1860s to the 1970s.

Paolo Tedeschi is Assistant Professor of Economic History at the University of Milan-Bicocca DEMS, where he teaches Economic History and European Integration History. His recent research and publications have focused on the history of European integration, the economic history of the Lombardy region between the eighteenth and twentieth centuries and the history of Lombard business interest associations, trade unions and friendly societies.

P.I.E. Peter Lang
Brussels
Historical and International Comparison of Business Interest Associations

(19th-20th Centuries)
Historical and International Comparison of Business Interest Associations
(19th-20th Centuries)
This book was funded by Università Cattolica del Sacro Cuore (research action D.3.1. 2012) among its programs of promotion and diffusion of scientific research.

The book was subject to a double blind refereeing process.

No part of this book may be reproduced in any form, by print, photocopy, microfilm or any other means, without prior written permission from the publisher. All rights reserved.

© P.I.E. Peter Lang s.a.
Éditions scientifiques internationales
Brussels, 2013
1 avenue Maurice, B-1050 Brussels, Belgium
www.peterlang.com; info@peterlang.com

Printed in Germany

ISSN 2030-3688
ISBN 978-3-0352-6376-3 (eBook)

D/2013/5678/99

CIP available from the Library of Congress, USA, and the British Library, GB.

“Die Deutsche Nationalbibliothek” lists this publication in the “Deutsche Nationalbibliografie”; detailed bibliographic data is available on the Internet at <http://dnb.de>. 
Contents

Preface ................................................................................................................................. 9
   Aldo Carera

INTRODUCTION. Historical and International Comparison of Business Interest Associations (19th-20th Centuries) .................. 11
   Danièle Fraboulet

Old Believers Communities of the Nineteenth Century as the First Business Interest Associations in Russia (1860-1914) ................................................................. 19
   Valeriy Kerov

The Genesis of the Swiss Business Interest Associations (1860-1914) ................................................................. 31
   Cédric Humair

The Russian Business Interest Associations. Economic and Socio-Cultural Aspects of Maturation (1861-1917) .................. 43
   Irina Potkina

An Overview about Business Interest Associations in France (1880s-1920s) ................................................................. 59
   Pierre Vernus

Notes on the Genesis and Development of Business Interest Associations in Milan (19th-20th Centuries) .................. 75
   Andrea M. Locatelli & Paolo Tedeschi

Origins and Shifting Functions of Business Interest Associations. The Dutch Case in the Twentieth Century .................. 109
   Bram Bouwens & Joost Dankers

The Employers’ Organisations in the French Metalworking Industry and their Strategies (1901-1940) .................. 127
   Danièle Fraboulet

The Growth and Role of Employers’ Associations in the UK (1916-1945). Comparisons and Contrasts .................. 139
Philip Ollerenshaw

Business Interests in the Welfare State.  
The Strategies of Sweden’s Business Associations  
during the Twentieth Century ........................................... 159  
  Niklas Stenlås

Business Eurofederations and European Integration  
from the Second World War to the 1970s ......................... 175  
  Neil Rollings

CONCLUSION. New Outlooks on the History  
of European Business Interest Associations .................... 193  
  Andrea M. Locatelli & Paolo Tedeschi

Notes on Contributors .......................................................... 205

Index ...................................................................................... 209
Preface

The role of social and economic organisations in contemporary society has been a fundamental issue in the studies promoted by the “Archivio per la storia del movimento sociale cattolico in Italia” since its establishment in 1961. During much the same period, the economic historians of the Department of Economic History, Society and Local Sciences “Mario Romani” at the Catholic University of Milan, focused their research on the development of organisations operating in the social and economic system.

Mario Romani was a professor of economic history at the Catholic University of Milan and his scientific studies are the cultural references for the work presented here. From the middle of the twentieth century, rather than following the dominant cultural ideologies concerning the Italian economic and social system, Romani in fact criticised the traditional interpretation of Italian economic development in the nineteenth and twentieth centuries. While the mainstream theories of Italian economic development, namely the neoclassical and the Marxist interpretations, were centered on the role of the state, Romani proposed a new theory based on the relationship between social structures and economic factors. So, the analysis of social and economic structures became the key to exploring and defining the relationships between forces in the market economy.

For this purpose, Romani identified some relevant research conditions: the existence of a relevant interdependence between the social and the economic factors concerned; the need to consider the social and economic system as a whole; the large amount of time and effort that the researchers have to spend analyzing direct sources which provide endless opportunities for historical studies. These research conditions represented a real legacy for all researchers inspired by Romani’s studies and thought.

Furthermore, Romani suggested that social modernisation and social economic processes should be studied in league rather than being considered as mutually exclusive. He emphasised the need to make international and interdisciplinary comparisons. These techniques were realised through a collaboration between the Institute of Economic History and the Giulio Pastore Foundation in Rome (founded by Romani himself in 1971).

For over half a century, the researchers whose work has been inspired by Romani’s studies and thought have analyzed the rules and behaviour
in the economic system of collective subjects, in particular cooperatives, friendly societies and workers’ trade unions. In more recent years, a new generation of researchers has started to analyze the experiences of the business associations: since 2011, in particular, Andrea M. Locatelli and Paolo Tedeschi have been working on the research project entitled “The Business Associations in Lombardy: Aims, Organisation, Strategies (19th-20th Centuries)” and involving researchers from the Catholic University of Milan and University of Milan-Bicocca DEMS.

All members of the Department “Mario Romani” and of the “Archivio per la storia del movimento sociale cattolico in Italia” hope that the significant heritage of the ideas collected in this volume will be further developed by Locatelli and Tedeschi (in particular in a volume concerning the Italian business associations). This obviously implies that they will be supported in their future research on the history of business associations and, moreover, that they will continue their collaboration with relevant colleagues such as Danièle Fraboulet and all the contributors of this volume.

Aldo Carera
INTRODUCTION

Historical and International Comparison of Business Interest Associations (19th-20th Centuries)

The papers published in this volume were presented at the session number 168 of the 16th World Economic History Congress (WEHC) which was held in July 2012 in Stellenbosch (South Africa). It was dedicated to the “Historical and international comparison of Business Interest Associations (19th-20th centuries)”1. It was also part of a five-year, large-scale research project on Business Interest Associations (hereafter BIAs) started in 2009 by French academics and supporting institutions2. The project involved historians from around Europe forming a dedicated scientific committee and collaborating on research of international and interdisciplinary significance. Developments concerning BIAs had previously been examined by political scientists and sociologists in isolation, and therefore did not present satisfactory historical and cross-border perspectives. It was utterly appropriate, then, that historians and social scientists conducted a mutually beneficial comparative inquiry into the history of BIAs in Europe.

At the time of writing, the project continues apace. Its goal remains the provision of comprehensive studies of BIAs as major components of the European social model and the democratic State in the nineteenth and twentieth centuries. The program is designed to clarify and elucidate, through historical approaches, the strategies adopted by unions, professional societies, chambers of commerce, trade organisations, clubs, and a variety of miscellaneous groups in their efforts to promote and defend business interests. It investigates the genesis of the BIAs, the historical context of their creation, their functions and the geographical scope of their activities (local, regional or national). It attempts to build a socio-

---

1 The session in Stellenbosch was organised by Danièle Fraboulet (University of Paris 13 - Sorbonne Paris Cité) in collaboration with Cédric Humair (University of Lausanne) and Pierre Vernus (University Lumière Lyon 2), chairmen of two thematic roundtables. Cédric Humair and Pierre Vernus also collaborated at the drawing up of this introduction.

2 The large scale research project is a Danièle Fraboulet’s initiative and is financed by the following universities: Paris 13 - Sorbonne Paris Cité (Centre de recherche Espaces, Sociétés, Culture EA 2356), Paris 1 - Panthéon Sorbonne (Institutions et dynamiques historiques de l’économie, UMR 8533) and Lumière Lyon 2 (Laboratoire de recherches historiques de Rhône-Alpes).
logical profile of the members of the BIAs, and to chart the economic sectors in which their presence was most pronounced. This allows for an analysis of how evolving social, political and cultural contexts influenced the way business associations operated. A comparative chronological and geographic perspective has been adopted so as to reinvigorate the study of an area which hitherto received only piecemeal and inconsistent attention from scholars and lawyers and social scientists.

In order to facilitate this major undertaking, three international symposiums were held in Paris in June of each of 2010, 2011 and 2012; another one has just been held in Lyon in June 2013 and a further, and final, symposium will be organised for June 2014. The proceedings of


4 The first symposium concerned “Business organisations in Europe: meanings, translation, historiography and archives” and its aim was to clarify the scope of the project, establishing the state of the art and archival resources available in several countries: it laid the ground work for further research collaboration between historians and social scientists. The second symposium was about the “Genesis, Structures and Temporalities of European Business Organisations”. Participants looked into the strategies adopted by BIAs for promoting and defending business interests. They discussed the historical context of the origins of BIAs, and tried to understand whether these organisations had been driven and/or curbed by ideological, social, political, or judicial actions. They also adopted a comparative perspective covering both time and space and analyzing failures as well as successes. The third symposium explored the “Ways and Means of the Trade and Business Organisations in the Public Sphere”. Researchers analyzed business organisations as constrained by political, economic and
the symposiums of 2011 and 2012 were published in French language: proceedings will be also published for symposiums of 2013 and 2014.

Given the particular context of session n. 168 of the WEHC and the need for the widest possible diffusion of the findings of the research project, an English edition was desirable. The session aimed to further extend the span of the comparative approach (which has been expanding since the first workshop of 2010) and to enlarge the network of the researchers involved in the program. Thus, a Swedish, two Dutch and two Russian colleagues joined some of the previous program’s participants from France, Italy, Switzerland and the United Kingdom. It is evident that this expansion required an English edition with a relevant international publisher. So, two participants at the session 168 took on the task of preparing the proceedings for publication: the volume was financially supported by their respective institutions.

The following themes and questions were considered during the session in Stellenbosch and the contributions of this book try to give readers some answers and explanations:

institutional surroundings and how those conditions evolved over time and across space through the dynamics of competition, collaboration, and the working relationships between BIAs and public administrations, parliament houses, governmental institutions, judiciary systems, etc. The following issues were discussed: scales of policy interventions by BIAs (local, regional, national, European); ways and means of adapting business models (family and kinship, school and social networks, lobbying, financial support and funding, active groups, hiring experts and specialists, reports and documentation, expenditures and budget, etc.); and the capacity of business organizations for adaptation in response to the ebb and flow of economics and politics. The fourth symposium challenged the “Appraisal of the Relationships between Business Associations and other organizations”. Participants tried to explain how BIAs established, developed, fostered and maintained different types of relationships with other organisations (domination, collaboration, competition, dispute etc.). They studied relationships built over time by the BIAs themselves with other Business and Trade Organisations or Chambers of Commerce, Employers’ Organisations, Clubs and Think Tanks, Workers’ Organisations, and Political Parties. They also focused on themes revolving around the exact nature of the relationships between BIAs and other kinds of organisations, the forms and manifestations of these relationships (financing, collective bargaining, collaborative, friendship and personnel relationships, and wider social networks).

5 See Fraboulet, D., Vernus, P. (eds.), *Genèse et morphologies originelles des organisations patronales en Europe (XIXe-XXe siècles)*, Rennes, PUR, 2012; Fraboulet, D., Druelle-Korn, C., Vernus, P. (eds.), *Les organisations patronales et la sphère publique. Europe XIXe et XXe siècles*, Rennes, PUR, 2013. The proceedings of the symposium in Lyon will be prepared by the same editors and published within the Spring 2014. Finally, the symposium of 2014 will deal with “Business Associations and Market Regulation” and will conclude the five-year research project.

6 Andrea M. Locatelli (Catholic University of Milan) and Paolo Tedeschi (University of Milan-Bicocca DEMS) edited the proceedings. The support of their universities was fundamental for the publication of this volume.
a) “Roots, early stages and specific framework underlying BIAs”. Why were BIAs founded? In what historical and legal context, for what reasons, and where (ie. were they local or nationwide)? Why did they survive or why did they fail to survive?

b) “BIAs at work”. How were they managed? By elective leaders or by paid officials? What were their functions? What services did they offer to their members? What were the relations of these organisations with the members of the unions? How did the business organisations interact with each other?

c) “Finances”. What were their sources of income and how much did they collect from their members and from other sources of assets? How did they use this money?

d) “Membership and representativeness”. How many members joined the business associations? Was there a connection between the representativeness of these organisations and the number of affiliates? What were the dominant features of this representativeness? What was the sociological background of their members?

e) “Strategies”. What strategies have been adopted for the promotion and defense of business interest? How did BIAs modify their strategies to adapt to changing political, social, economic and legal contexts? How did they contribute to the building of sectoral or overall identities? In which fields of the economy were they best organised?

In Stellenbosch two thematic roundtables were organised: this partition serves to structure this book too. The first roundtable dealt with “The Origins and Functions of BIAs” at regional and national levels. The period covered was the second of the four phases defined by Lanzalaco in his article on the evolution of BIAs, that is the “Diffusion and Integration Phase” which covered much of the nineteenth century and up to the First World War in some European countries and regions (Russia, Switzerland, France and Lombardy, the most relevant industrial region in Italy). According to Lanzalaco, this phase was bounded by the appearance of the first local associations on the one hand and the founding of the first national peak associations on the other.

An analysis of this period is extremely complex, since it has to incorporate both the decline of the old system of merchants and craft guilds, which was sometimes sudden and sometimes gradual, and the emergence of a new system of economic organisation and representation. The rise of this new system was based on two relatively different features, one of which was the official system of representation, the best known form of

---

which was the Chamber of Commerce in France, and the private associations independent of political power, the nature of which is still largely unexplored. A comparative analysis of the five contributions published, however, enables us to propose three fields of reflection.

Firstly, a more precise definition of the concept of BIAs should be set. Indeed, the incredible diversity of the associations taken into account in the papers poses the question of the criteria that permit the field of analysis to be delimited. Is any organisation involved in one way or another in the smooth running of the economy of a BIA? For example, can a scientific society intended to facilitate technology transfer be considered a BIA, even if its members are not predominantly employers, but scientists, technicians and prominent figures? In the case discussed by Kerov, can a religious community whose members develop ways of coordinating their economic activity be considered a BIA?

The second set of issues is about the chronologies of the process of organising the economy. On the basis of the five contributions, it is very difficult to carry out a comparative analysis on local and regional BIAs. However, it seems possible to compare the formative period of the different types of national-scale BIAs. We observe that in the countries being analysed the creation and densification of stable national associations took place in the period between 1865 and 1890. However, this common chronology did not lead to a simultaneous appearance of the first national peak associations. On the contrary, the creation of the latter was spaced between 1870 (in Switzerland) and 1919 (in France).

The third field consists of explanations of these chronological evolutions. Concerning the concurrence of the transition to national scale organisation, two main factors are stressed in several contributions. The first is the important role played by tariff and trade agreements policies in a context of economic crisis and rising protectionism in Europe. The second is the growth of state economic interventionism, which was not restricted to trade policy, compelling businessmen to organise themselves in order to provide an effective response in defense of their own interests. As far as the time lags between the appearance of the first national peak associations are concerned, two more issues require further exploration. What influence did the laws on associations have on the emergence of BIAs and peak associations in particular? What role was played by the presence or absence of an official system of representation of the economy similar to the French Chambers of Commerce?

The second roundtable dealt with “The Business Interest Associations in Europe during the Twentieth Century: Some Case Studies”. The contributions presented during that session pondered the last three periods defined by Luca Lanzalaco, that is to say the diffusion and integration phase of the nineteenth century, the phase of penetration, centralisation
and consolidation from the beginning of the twentieth century to the end of the First World War, and lastly the transitional phase since the end of the Second World War, characterised by a process of transnationalisation, especially in Europe. Papers focused on some national cases: the Netherlands, France, United Kingdom and Sweden. Furthermore, most of the contributions were at least partly concerned with peak associations as the Union des Industries Métallurgiques et Minières, the Federation of British Industries, the Employers Organisations, the Swedish Employers’ Association (and, to a lesser extend, the Federation of Swedish industry and the Eurofederations) which seem to be peak associations or branch of peak associations.

Bouwens and Dankers’ contribution was the only one that offered a more comprehensive account of the Dutch BIAs. Thus, local and regional BIAs still require further investigation. Only Neil Rollings encompassed a wider space and paid attention to a higher level, the European one. He focused on the relations between Eurofederations and European Integration and he showed how essential it is to be critical when setting up a statistical population and how this can lead to new conclusions. By criticizing the CONNECTS database and by elaborating a new dataset he challenged the old ideas that associational development of Eurofederations reacted or followed European political integration.

Of the numerous issues raised by the contributors to the second roundtable, only some will be highlighted here. One that immediately echoes the first roundtable deals with the elaboration of a statistical population of BIAs and consequently the definition of such associations. Bouwens and Dankers have defined a BIA as an “organisation of employers or companies working for the common interests of its members” that can fulfil five functions whose combination and importance change over time according to the economic, politic or social context. The paper also raises the question of the role of BIAs in defining the employers’ interests. Schmitter and Streeck highlighted the diversity of interests among capitalists: consequently, if we postulate that capitalists’ interests are social constructions and, moreover, as shown by Ollershaw or Stenlås, given that the usual distinction between trade and employers’ association is sometimes fuzzy and results from negotiations among peak associations and between peak and regional or sectoral associations, we must reassess our understanding of how business interests are elaborated and by whom. We should also reevaluate how the distribution of functions among associations evolved over time.

---

These considerations involve questioning existing national models. Indeed, in the long run, these models seem only transitional configurations of more or less lasting equilibriums. It appears that some of the characteristics of the equilibrium developed after the Second World War were already emerging during the interwar period. Although the contributions favour national cases, it may be somewhat surprising that they pay little attention to the national legal systems describing the legal form of BIAs, proscribing the range of functions they are allowed to perform and, finally, influencing the way they act within each national space.

Lastly, another crucial issue raised by the authors needs further exploration: how to estimate or at least to guess the impact of the activity of BIAs, whether local, regional or national peak associations.

All the authors involved in the book would like to thank the personnel working in the archives and libraries visited, who have kindly assisted in the provision of the material and documents cited in the text. They are also deeply grateful to Michel Dumoulin (UCL, Louvain-la-Neuve) for publishing the book in the “Enjeux Internationaux” collection and obviously to the Catholic University of Milan and the University of Milan-Bicocca which supported the publication of this book. Finally, the editors and authors wish to thank the anonymous referees for their advice and suggestions, and Ilaria Suffia (University of Milan-Bicocca DEMS) and John O’ Callaghan (University of Limerick) for their precious help concerning the editing of the volume.

Danièle Fraboulet
Old Believers’ Communities of the Nineteenth Century as the First Business Interest Associations in Russia (1861-1914)

Valeriy KEROV

Peoples’ Friendship University of Russia - Moscow

Introduction

It is considered that the active process of foundation of Business Interest Associations (hereafter BIAs) in European countries began in the last decade of the nineteenth century and the first decades of the twentieth century. According to the existing research, the creation of BIAs in significant numbers resulted from the reaction of businessmen to state pressure, the demands of free capitalism and the first workers’ organisations. Facing common difficulties, entrepreneurs banded together to compensate for their shortcomings. The Russian situation was different, however. Merchants’ self-management bodies in cities were class organs reduced to philanthropy and class economy. Manufactory and Commercial Councils were no more than state institutions drawing on poor entrepreneurs’ assistance. Councils’ private members were very respectable but deprived of any influence on state economic policy. Any social organisations were prohibited until the First Russian Revolution of 1905-1907. Without the possibility of consolidation or real corporatism, Russian entrepreneurs were unable to resolve their problems in the face of powerful traditional individual corruption. However, BIAs emerged and became highly effective. They carried out the specific functions defined by the religious character of the links between their members. The focus here is on Old Believers’ communities.

1. The origin of the Old Believers’ confessional BIAs

First of all, the confessional ethic and institutional factors played their part. Developing the ideas of seventeenth-century Eastern theology and interpreting anew the traditional Christian texts in the new sociopolitical and socioeconomic environment, the Old Believers created new confessional values and secured the emergence of a special type of religiosity. Ideas of the moral value of a man, of confessional and social activism, of personal responsibility, of religious Methodism, of a new work ethic, a new attitude to property and a perception of business as a worthy, “gracious” work for God, promoted the transformation of Old Believers’ communities from purely confessional to confessional-economic ones and turned Old Believers into leaders in a number of branches of the economy in the first half of the nineteenth century.

In addition, there were other contributing factors such as the corporatism, solidarity and resistance of Old Believers’ communities in the face of their repression by the authorities. The Old Believers’ confessional-economic communities became the first BIA in Russia.

The Old Believers’ BIA had peculiar features:

a) every association was composed of numerous local communities of the same Old Belief denomination;

b) in the first half of the nineteenth century there existed four enormous associations (with thousands of members) and two or three dozen which really coincided with Old Belief denominations (soglasiye);

c) it was a voluntary association as a religious community;

d) all three sectors of entrepreneurs, managers and workers formed this mixed association;

e) members of the association acted in industry and trade but also in agriculture;

f) operating securities and organising credit, they actively were engaged in financing themselves.

2. The functions of the Old Believers’ BIA

In the specific form of increased personal activity and personal liability implication, the religious community remained an intermediary between God and man in the economic process. This idea was based on the traditional Orthodox Church teaching, of which the community was a

---

2 See Kerov, V.V., “Se chelovek I delo yego...”: Konfessionalno-eticheskiye factori staroobriadcheskogo predprinimatelstva v Rossii [“Behold the Man and His Cause...” Confessional Ethic Factors of Old Believers’ Entrepreneurship in Russia], Moscow, Econ-Inform, 2004.