

# TOWARDS A NEW INDUSTRIAL ORGANIZATION: A GLANCE AT THE POLITICAL ECONOMY OF CLAUDE HENRI DE ROUVROY, COMTE DE SAINT-SIMON

КЪМ НОВА ИНДУСТРИАЛНА ОРГАНИЗАЦИЯ – ПОГЛЕД ВЪРХУ ПОЛИТИЧЕСКАТА ИКОНОМИЯ НА КЛЮД-ЕНРИ ДЪО СЕН СИМОН

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**Abstract:** Often referred to as Henri de Saint-Simon, the Comte (1760-1825) offered a new and contemporary organization of ideas and practices. He said it was necessary to put an end to the critical phase of feudalism, the 18<sup>th</sup> and 19<sup>th</sup> century revolutions, the wars, the intolerance and egotism of the old regime. This transformation, he said, could be achieved by industrialism. Saint-Simon established the doctrine of industrial progress. He was the first to create the doctrine of industrial progress, the first theoretician of industrial society and technocratic political reform.

**KEYWORDS:** INDUSTRIALISM, POLITICAL ECONOMY, SAINT-SIMON

*If I have seen farther than others, it is because I have stood on the shoulders of giants.*  
Sir Isaac Newton (1676)

## 1. Introduction

French economist, engineer and entrepreneur Claude Henri de Rouvroy, Comte de Saint-Simon (1760-1825) is a founder of the doctrine of industrial progress, the first theoretician of industrial society and technocratic political reform. He remained forgotten by historians of economics, whether due to his influence on Karl Marx, or due to some already existing more modern industrial theories. Nevertheless, our interest in Saint-Simon is evidence of profound consciousness of the significance of the question of industry in the economic development of the state.

Saint-Simon came from an aristocratic family and received excellent education under the guidance of D'Alembert and Rousseau. He was only 17 when he left for America as part of the French Lafayette military service to participate in the American Revolutionary War. Over the time he spent there (1779-1783), he was extremely impressed by the enthusiasm and the freedom of the newly-formed states, and by the new industrial organization developing on the basis of individual freedom and political equality. Upon his return to Europe, he undertook a variety of initiatives: in Spain (1787) he worked on a project for the construction of a canal connecting Madrid and the Atlantic Ocean, while he also managed to accumulate some riches through speculative transactions. The well-known "Dictionnaire de l'économie politique" of Charles Coquelin of 1853 we can read about his new ambitions:

"I would only keep the riches... as a means of widespread establishment of industry, of creating a research centre for improvement, in other words, to contribute to the enlightened progress and improvement of the human race" (1: 566).

This mission of the reformer and his plan for industrial reorganization of society completely overruled his interest in the French Revolution. Consequently, Saint-Simon consecutively published his better-known works in the period 1817-1822, including the better-known *L'Industrie*, *Le Politique*, *Du système industriel* and *Catéchisme des industriels*.

His "parable" in *L'Organisateur* appeared in 1819, asking what if France suddenly lost her 3,000 leading scientists, artists, manufacturers, bankers, farmers and skilled craftsmen (the entire industrial and productive class), what would be the effect? The answer to this question was that overnight the nation would become a lifeless corpse. It would become inferior to the nations that are its rivals and it would remain so for at least a generation, until it had replaced the people it had lost. The second question was, suppose France lost all the king's family, the King's Ministers of State and councillors, his civil servants and all the local government officials,

her judges, her army officers and her leading churchmen (the entire unproductive but consuming class) France would grieve, but not suffer. The country would easily find other people to do their jobs (2: 71-78).

Saint-Simon's socio-political views are part of classical political economy whose main subject concerns the teaching about classes and society. His interest in political economy was sparked in 1813 when he attended the courses of Jean-Baptiste Say, also called the first professor of political economy in France, at the Athenee Royal. He was inspired by Say's *Traité d'économie politique* and underscored his contribution to clarifying the influence of the economy on social organization.

"Of all who have written, I think that those who have written about political economy have created the most beneficial works. I also think that Say's *Traité d'économie politique* is the book in which one can find the largest number of positively connected ideas... His work contains everything political economy has generated and shown so far. This is the best thing produced by this science in Europe to date" (3: 79-82).

The two share common features in respect to the old feudal system, positive knowledge and the importance of industrial classes. However, while Say's *Traité d'économie politique* reveals the principles that form the science of production, Saint-Simon outlined the classical theory relevant to industrialization.

This paper will discuss the political economy of Saint-Simon, more specifically its capacity to reveal a new, more progressive organization of society that implements the industrial system.

## 2. Results and discussions

Saint-Simon's entire work was influenced by the onset of a new organizational system, that of industrialization. His thought can be summarized in the maxim "Everything through industry, everything for it" (3: 4). He studied this question through an analysis of the historical past, realizing that this is a process of constant progress.

Industrialization is a product of the evolution of human history, of a constant improvement of practices and knowledge at every single stage to achieving its new perfect form.

In spite of that, an extreme division between the separate stages in the evolution of western civilization emerges. All systems proceeding the age of the Renaissance were guided by the "military and theological principle" to a various degree, while the "industrial and scientific principle" acted as a force intended to govern civilized society. We can take as an example medieval society as an

organic entity based on two fundamental principles: on the one hand, the wars, which were leading for feudalism, and on the other, religion and morals in the face of the clergy. According to Saint-Simon, the transformation of the new system passed through the choice of scientific and industrial capacity to the detriment of military, theological and metaphysical power.

"In the age when all our knowledge was mostly assumed and metaphysical, it was quite natural to govern society, or its spiritual affairs, to be in the hands of a theological authority as theologians were the principal metaphysicians. And vice versa, when all our knowledge is formed only on the basis of observations, the management of spiritual affairs should be put in the hands of scientific positive capacity, as it is obviously above theology and metaphysics... Temporary power in the old military force requires more passive submission on the part of the nation. Industrial capacity, by contrast, designed to be the power behind the temporary affairs of the public, will impose itself at random, as every thing has been decided according to a plan compiled for general success, on the one hand, and on the other, the implementation of this plan may require a very small degree of command between people" (4: 80).

His study on the philosophy of history also shows that the French Revolution did not achieve its main historical objective: the much desired transformation to liberty, equality and progress. At the end of the 18<sup>th</sup> and the beginning of the 19<sup>th</sup> century industrialists did not have any active role in politics, governance and administration and sustained considerable financial losses, once from the Law of the Maximum<sup>1</sup> and again by the Berlin Decree<sup>2</sup>, which brought into effect a large-scale embargo against British trade.

That was why Saint-Simon declared that it was extremely exaggerated to say that the French Revolution destroyed the theological and feudal powers. It did not abolish them but only lost a considerable portion of the confidence vested in its fundamental principles in such a way that today its authority does not have enough power and credit to serve society... in industrial ideas. It is there and there alone that salvation and the end of the Revolution should be sought (3: 56).

In fact, in "the progress of civilization" the manners of social transformation (reforms and revolutions) were less important than the quality indicator of the system (industrial ideas). This also leads to uselessness of major revolutions leading to anarchy and subsequently to despotism.

The new organizational system suggested by Saint-Simon relates to industrial ideas and knowledge. This evolution is characterized by the constant progress of thought, the expansion of industrial technologies, as well as the progress of exact sciences. In France, the best type of governance in the form of constitutional monarchy was discussed during the Bourbon Restoration (1814-1830). To Saint-Simon, this was industrial monarchy and he openly said that "the best way is to give the heads of industrial enterprises the task of drafting the budget and subsequently to manage public administration, because it follows from the nature of things that the heads of industrial enterprises (who are the true governors of the people because they are those that manage them in their daily affairs) tend, always in the name of their own interests, to develop their enterprises as much as possible, and as a result of their efforts in this direction there will be the largest possible increase of the total number of activities carried out by the people" (5: 266).

<sup>1</sup> In 1793 France passed the Law of the Maximum affixing maximum prices on staple goods. Strict measures were taken against anyone who violated it.

<sup>2</sup> In 1806 Napoleon issued the Berlin Decree which brought into effect a large-scale embargo against British trade. Any trade with Britain was absolutely forbidden, any goods coming from Britain or its colonies were confiscated not only in the ports but also in the interior of the country, any letters coming from Britain were withheld and every Briton remained a prisoner in France.

He hailed the dynamics of production activity and the new industrial society based on action or labour. To him "work is a source of all virtues" (4: 134).

Production is a social organization because society and its participants are in symbiosis. The production of useful things for all people is the most important economic goal of the incumbent. In this way economic interests are integrated in social life. Work of any kind is the most adequate expression of every individual effort as simulated by social reality. "... [T]he most favourable organization lies in industry, industry most generally encompasses all types of beneficial activities, both the theory and practice, the activities of the mind and those of the hand" (3: 56, 57).

Saint-Simon sees bankers, scientists, actors and others as the part of industrial society related to its intellectual development. This conjunction of functions of production, credit and communication is a result of the economic, technical and intellectual education of the ruling elite.

The progressive organization of industrialists has its history, organically related to the "banker corporation" since the 17<sup>th</sup> century. According to Saint-Simon, bankers are the ruling elite and the main figures in industry. Banque de France is the institution that heads the banking sector and should have radical functions in industrial management. Saint-Simon interprets it as a fact or of political organization in the industrial class, which conditions the functioning of a dynamic system. "Industrialists are organised by the establishment of the bank which connects all branches in industry and manages the political usage of their capital" (6: 66).

Saint-Simon distinguished the connections of the new industrial organization through the prism of political science.

"As a fundamental part of industry, bankers should have direct contacts with the mass of the most remarkable scientists and artists" (6: 197).

Saint-Simon suggested that governance based on competence and academic capacity should ensure the transition to the new industrial system.

"Scientists have elements of the necessary theoretical activity to form the industrial doctrine and the intellectual requirements for that (4: 116).

Just as scientists, artists are people of imagination who stand at the head of the army of industrialists. Saint-Simon lent a poetic tinge to the task of artists: "artists transfer the earthly Eden to the future and present it as a result of the establishment of the new system, believing that this system will be established immediately" (4: 97).

### 3. Conclusion

In his political economy Saint-Simon suggested a new, contemporary organization of ideas and practices. It was necessary to put an end to the critical phase of feudalism, the 18<sup>th</sup> and 19<sup>th</sup> century revolutions, the wars, the intolerance and egotism of the old regime. This transformation could be achieved by means of industrialism.

A new social structure of European society emerged after the end of the 19<sup>th</sup> century, conditioned by the upsurge of engineers and their industrial organization. Since the beginning of the 20<sup>th</sup> century, this governing power, legitimized by science, has destroyed the rent bourgeoisie holding the capital. With his ideas Saint-Simon conditioned the contemporary world of governance and the main doctrine of French industrial society. These reflected in the scientific organization of labour, formalized in the works of Henry Fayol (1916) and the managerial revolution of James Burnham (1947).

The practical value of his industrial project is best measured by his followers, the Saint-Simonians. They were all convinced that the ideas of Saint-Simon, his industrialism as a social doctrine, provide the elements of a contemporary faith that can efficiently replace the

old Catholic moral and utilitarian ideals.

These include Augustin Thierry and Auguste Comte, Prosper Enfantin, Saint-Armand Bazard, Emile Pereire and we can also add Olindeand Eugène Rodrigues, among others.

Enfantin, Francois Barthélemy and Ferdinand de Lesseps initiated the construction of the Suez Canal. The first passenger railway in Eastern France, built by Compagnie du chemin de fer de Paris à Saint-Germain, was also headed by Saint-Simonian Emile Pereire. Others were the cause for the inception of various projects during the Industrial Revolution: banks funding industrial and commercial development like Crédit Lyonnais, the establishment of educational institutions (Ecole Centrale de Lyon, Ecole Centrale Paris, Societé d'enseignement professionnel du Rhone), to mention but a few.

The movement reached its apogee in 1852, when Napoleon III surrounded himself with industrialists like Michel Chevalier, Prosper Duvergier, Jean-Martial Bineau, Hippolyte Fourtoul, and Emile Barrault, who became his ministers. Thus Saint-Simon's industrial doctrine was established mainly at the core of the French state.

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