

Paternalism in an Era of Taylorism and Centralism

The Example of Swiss Watchmaker *Aubry Frères*

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In the 1940s, Swiss watchmaking companies started introducing various measures with a paternalistic content into their personnel management, much later than many industries elsewhere in Europe and in North America, which began doing so in the late 19th century.¹ A few large companies, such as Tavannes Watch C° and *La Compagnie des montres Longines Francillon*, pioneered the introduction of this form of work management in the early 1900s or immediately following WWI. Yet they remained the exception to the rule, and the majority of these watchmaking companies did not follow their lead until after WWII. The increase in the number of retirement savings foundations or pension funds established by companies is symptomatic of this movement. In 1900, this type of service was not very common, and involved mutual societies with their roots in the workers' world. In that year, the watchmaking canton of Neuchâtel had some twenty mutual assistance societies for all of the different sectors of activities, of which only one

¹ See for example: Erik Aerts, Claude Beaud and Jean Stengers (eds.), *Liberalism and Paternalism in the 19th Century: Proceedings of the Tenth International Economic History Congress*, Leuven, Leuven University Press, series "Studies in social and economic history, 17", 1990. David Roberts, *Paternalism in Early Victorian England*, 1st edition, London/New Brunswick (NJ), Croom Helm/Rutgers University Press, 1979. Andrea Tone, *The Business of Benevolence: Industrial Paternalism in Progressive America*, Ithaca (NY)/London, Cornell University Press, 1997. Hartmut Berghoff, "Unternehmenskultur und Herrschaftstechnik. Industrieller Paternalismus: Hohner von 1857 bis 1918", *Geschichte und Gesellschaft*, 23 (2-Unternehmergeschichte), April-June 1997, pp. 167-204. André Gueslin, "Le paternalisme revisité en Europe occidentale (seconde moitié du XIX^e, début XX^e siècle)", *Genèses*, 7 (*Lieux du travail*), March 1992, pp. 201-211. The French journal *Le Mouvement social*, No. 144, 1988, devoted an issue to this topic: "*Paternalismes d'hier et d'aujourd'hui*", which contains a bibliography of studies carried out in France.

had been set up by a firm.² After WWI, pension funds in Switzerland proliferated: there were 150 pension funds in 1903, as compared³ with 5,000 in 1954. The watchmaking sector stood out in this respect: the number of pension funds established by private firms in this industry⁴ increased from 32 in 1941 to 314 in 1955-1956. In 1948, the watchmaking towns of Le Locle and La Chaux-de-Fonds accounted for 96 private retirement savings foundations for staff, set up by companies.⁵

Was this simply because industrial structures and social relations took longer to develop in this industry? Or was this a form that was specific to the watchmaking industry and to the Swiss context? In the case at hand, the analysis of an example, the paternalism developed by the company Aubry Frères, tends to indicate that the methods do not differ fundamentally from other examples. As we shall see, this type of paternalism has several general characteristics that are common to all forms of paternalism (leveling differences by treating the company as one big family, greater control over workers' lives and the local community through the introduction of charitable measures, strong personality of the employer, etc.). Here, paternalism once again can be compared to

a social relationship where inequality is denied, transfigured by a social metaphor that places the holder of authority on a par with the father and the agents subject to this authority on a par with children. This metaphor tends to turn relationships of authority and exploitation into ethical and emotional relationships, where duty and feeling replace rules and profit.⁶

Thus, the distinctive feature of this paternalism lies not so much in its concrete manifestations but rather in the meaning and levels of relationships it involves, given the particular structures of the watchmaking industry and the special context in which it developed, the post-war period. We consider that the measures taken involve several levels of relationships: on the one hand, the relationship between employer and workers, which is viewed as a means of reconstituting a corporate community in a production system in the throes of Taylorisation; and on

² Charles Schürch, *Travail et prévoyance sociale*, Neuchâtel, Comité directeur du centenaire de la République neuchâteloise, series "Le Pays de Neuchâtel, 21", 1948, p. 66.

³ See Niklaus Stettler, "Les caisses de pension", in Marco Jorio (ed.), *Dictionnaire historique de la Suisse (DHS)*, Hauterive, Fondation Dictionnaire historique de la Suisse, <<http://www.hls-dhs-dss.ch/textes/F14068.php>> (accessed 20 April 2010).

⁴ Institutions d'assurance et de prévoyance en Suisse, *Statistique des caisses de pensions* (Berne, Bureau fédéral de la statistique), 1947-1964.

⁵ Charles Schürch, *op. cit.*, p. 30.

⁶ Michel Pinçon, "Un patronat paternel", *Actes de la recherche en sciences sociales*, 57-58, June 1985, p. 95.

the other hand the relationship between directors of small and medium-sized enterprises (SMEs) and the State and centralised professional associations, where the point is to retain or even restore, at the local and regional level, a power that is increasingly threatened by centralisation and the domination of the big companies. Paternalism, as it developed at the time, only makes sense if it is viewed in the dynamic combination between the internal and external corporate challenges that were specific to this period. Accordingly, the presence of paternalism is not linked to any lag in watchmaking development or a resurgence of archaic methods; it is an element that forms an integral part of industrial development in the post-war era.

This topic has hardly been studied in the Swiss context. One of the few studies devoted to paternalism in the watchmaking industry, the one by Gagnebin-Diacon, pertains to a large Swiss watchmaker and is therefore only partially representative of a watchmaking industry primarily composed of small and medium-sized companies.⁷ The Swiss watchmaking industry developed from the 18th century onwards in the Jura Mountains, following a model of diffuse industrialisation and in a context that was relatively hostile to large companies. Watchmaking was handled by numerous small production workshops, specialised in a specific operation, which worked for a subcontractor or manufacturer and were responsible for final assembly, adjustment or sales. Although a few large companies⁸ were established at the end of the 19th century, these tended to complement rather than replace the existing network.⁹ Accordingly, the Swiss watchmaking industry in the early 20th century was characterised by a complex, highly dispersed structure. Until then, neither large nor small watchmaking firms had played a significant role in providing social benefits. The first forms of health or accident insurance were introduced by the trade guilds, which developed on a local or regional level and often included both employers and workers. The cause was then embraced by the workers' trade unions, which for example had a monopoly over the unemployment funds. The Swiss watch-

⁷ Christine Gagnebin-Diacon, *La fabrique et le village: Tavannes Watch Co (1890-1918)*, 2nd edition, Porrentruy, Cercle d'études historiques de la Société jurassienne d'émulation, series "Cahiers d'études historiques, 2", 2006.

⁸ Fallet-Scheurer lists seven firms with more than 500 workers in 1905, which represents around 12 per cent of the labour force working in the watchmaking branch. Marius Fallet-Scheurer, *Le travail à domicile dans l'horlogerie suisse et ses industries annexes: rapport final publié au nom du comité d'organisation des expositions de Zurich et de Bâle de l'industrie à domicile (1909)*, Berne, Imprimerie de l'Union, 1912.

⁹ See Patrick Linder, *De l'atelier à l'usine: l'horlogerie à Saint-Imier (1865-1918): histoire d'un district industriel: organisation et technologie: un système en mutation*, Neuchâtel, Éditions Alphil, series "Histoire et horlogerie", 2008.