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**THE EUROPE OF THE FIVE PARTS OF THE WORLD:  
FRANÇOIS PERROUX ON EUROPEAN INTEGRATION**

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**UNIVERSIDADE FEDERAL DE MINAS GERAIS  
FACULDADE DE CIÊNCIAS ECONÔMICAS  
CENTRO DE DESENVOLVIMENTO E PLANEJAMENTO REGIONAL**

**THE EUROPE OF THE FIVE PARTS OF THE WORLD:  
FRANÇOIS PERROUX ON EUROPEAN INTEGRATION\***

**Alexandre Mendes Cunha**

Cedeplar/UFGM

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## ABSTRACT

Although seldom remembered in this respect, François Perroux exerted direct and indirect influence on the debate on European integration in the immediate post-war period in France. The theme of European integration serves in Perroux's work as a concrete case study on which a series of his recurrent themes could be explored, such as his theory of domination, his reflection on economic spaces, development and the costs of man ("coûts de l'homme"), or even as an extension of topics from his work in the 1930s related to corporatism and communitarianism. Perroux deals with the theme of European integration fundamentally in an extensive book from 1954, *L'Europe sans rivages*, but also in several others of his books and articles from the period, forming a complex and multifaceted analysis of the problematic that, nevertheless, insists in a central message: the importance of the global aspect of the European integration, thinking in a Europe of the "five parts of the world".

This paper offers an analysis of this set of writings, connecting it to the institutional and political context of the debate on European integration in France. The goal is to situate the effective influence Perroux's ideas and his concrete personal influence on important names of Jean Monnet entourage. Taking these general questions as a reference, and starting with Perroux's perspectives on topics such as national accounts, planning and liberal interventionism, the article also explores the critical thinking undertaken by Perroux, throughout the 1950s, on the institutional and political paths taken in the first years of the European integration process, approximating his analysis to other voices that critically discussed those paths, such as, for example, Gunnar Myrdal. Doing this, the paper also explores important connections, not frequently visited in the literature of the history of economic ideas, between the European integration and the field of economic development or regarding the debates on regional inequalities that took shape in the midst of the postwar European reconstruction projects.

*Key-words:* François Perroux, Jean Monnet, European integration, Postwar Europe, National accounts, planning, liberal interventionism.

*JEL Classification:* B29, B31, B59, F02

## RESUMO

Embora raramente lembrado a este respeito, François Perroux exerceu influência direta e indireta no debate sobre a integração europeia no período do imediato pós-guerra na França. O tema da integração europeia serve na obra de Perroux como um estudo de caso concreto sobre o qual uma série de seus temas recorrentes de suas reflexões poderiam ser explorada, como sua teoria da dominação, sua reflexão sobre espaços econômicos, desenvolvimento e os chamados "custos do homem" ("coûts de l'homme"), ou ainda como um tipo de extensão de tópicos de seu trabalho nos anos 1930 relacionados ao corporativismo e ao comunitarismo. Perroux aborda o tema da integração europeia fundamentalmente em um extenso livro de 1954, *L'Europe sans rivages*, mas também em vários outros de seus livros e artigos do período, formando uma análise complexa e multifacetada da problemática que, no entanto, insiste numa mensagem central: a importância do aspecto global da integração europeia, pensando numa Europa das "cinco partes do mundo".

Este artigo oferece uma análise deste conjunto de escritos, ligando-o ao contexto institucional e político do debate sobre a integração europeia na França. O objetivo é situar a influência efetiva das ideias de Perroux e sua influência pessoal concreta em nomes importantes ligados a Jean Monnet, um dos grandes arquitetos da integração europeia. Tomando essas questões gerais como referência, e partindo da reflexão de Perroux acerca de temas como contas nacionais, planejamento e intervencionismo liberal, o artigo também explora o pensamento crítico empreendido por Perroux, ao longo da década de 1950, sobre os caminhos institucionais e políticos assumidos nos primeiros anos do processo de integração europeia, aproximando sua análise de outras vozes que discutiram criticamente essas perspectivas, como, por exemplo, Gunnar Myrdal. Fazendo isso, o artigo também explora conexões importantes, não frequentemente visitadas na literatura da história das ideias econômicas, entre a integração europeia e o campo do desenvolvimento econômico ou em relação aos debates sobre as desigualdades regionais que tomaram forma no meio dos projetos de reconstrução europeia no pós-guerra.

*Palavras-chaves: François Perroux, Jean Monnet, integração europeia, Europa pós-guerra, contas nacionais, planejamento, intervencionismo liberal.*

*Classificação JEL: B29, B31, B59, F02*

François Perroux was one of the most creative and prominent French economists of the twentieth century. Working with a broad set of themes along his trajectory, he has progressively sought to move towards a new theoretical scope for the treatment of asymmetric relations between agents and economic units, which would become the basis of his theory of domination and his ambition to renew the “theory of general interdependence and to make of it something quite other than a new kind of equilibrium”, as pointed out by Bernis (2000, 498). With contributions ranging from the 1930s to his death in the 1980s, Perroux produced throughout his life studies in different fields, such as corporatism, national accounts, planning and “macro-decisions”, the dynamics of disparities and inequalities among nations (with important implications to the field of the international political economy), as well as several other developments of his theory of the dominant economy, particularly in the field of spatial economics. We can also remember his contribution to the structuralist approach within the studies in the field of economic development, marked by his characteristic humanistic perspective of Catholic base. However, the name of Perroux became known and remains sometimes remembered in the economic literature, almost exclusively with regard to his contribution to the growth and development poles approach, with significant implication on industrial planning in different parts of the world between the 1950s and 1970s (see Higgins and Savoie 1988; Meardon 2000).

This extensive intellectual trajectory combines also a path that includes prestigious positions in the French academic system and the gathering around him, particularly in the 1940s and 1950s, of work teams that would project his influence to different fields of the economic and political action. Nevertheless, his trajectory is also marked by many ambiguities<sup>1</sup>, raising questions that cannot go unnoticed by any historian of economic ideas interested in his contribution. This ambiguity is manifested, for example, in some blocs of his very extensive work that do not seem, at least at first glance, to fit very well with the others. It is also expressed in his institutional positions and personal connections throughout his life and in diverse aspects of a long career with marked influence in distinct institutional spaces not limited to those of academia. All this was in addition to a personality often remembered by those who knew him as harsh and difficult, creating several opponents while equally attracting and influencing others, testifying to his importance in the French academic scene.

There is an emblematic moment, however, that is essential to understand this “ambiguity” in Perroux’s work and helps organize the ideas about his trajectory as a whole. These are the years following the Liberation of Paris (August 1944), which can be read as a moment of important redefinition in Perroux’s trajectory, just as it would be for many others of his generation who also had “ambiguous” trajectories during the occupation. Julian Jackson (2005: 155-6), in a text exploring Perroux’s wartime activities and how he and other intellectuals were able to justify their commitment to the Vichy regime, speaks of a typical case of a “mal embarqué bien arrive,” using François Mitterrand’s words in a conversation with the journalist Georges-Marc Benamou. Starting badly but ending well was indeed the story both of Mitterrand himself and of many other important figures linked to politics and the French intelligentsia, including Hubert Beuve-Méry, Emmanuel Mounier, Alfred Sauvy and Le Corbusier.<sup>2</sup> It is possible to say that there is a careless exaggeration in Jackson’s analysis by assembling such diverse personalities and trajectories under the same label of “bad embarqué bien arrive.” The

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<sup>1</sup> See on this respect Chavagneux 2003.

<sup>2</sup> See also Benamou, 2001.

phrase nevertheless helps us to point out how the immediate post-war years in France is an extremely rich period for analysis, that to be properly understood demands that in addition to blacks and whites we use all shades of gray available, and this is definitely true to Perroux.

This paper primarily addresses Perroux's work in the second half of the 1940s. It highlights his investigations in the field of national income and notes the connections between this topic and his third way perspectives, originally formulated in corporatist terms but reshaped during this period. In addition, it addresses some developments and the proximity of these ideas in relation to the debate on European integration during the period.

## 1. NATIONAL ACCOUNTS, PLANNING AND LIBERAL INTERVENTIONISM

In his recent book *The Economy of the Word*, Keith Tribe (2015) reflects on the process of turning ideas into numbers, taking as an example the development of the conceptual framework and the specific methodology for measuring national income in the UK context, along with the construction of the social account apparatus that created a model that would be internationally adopted in the postwar period.<sup>3</sup>

Analyzing various developments such as how Pigou directs his attention to the Marshallian concept of the national dividend as a specific and practical instrument for addressing and offering solutions to concrete social problems (Tribe, 2015: 93) or how this concept expressed the “gap between the theoretical prospect offered by Keynes's book and the capacity to represent the empirical reality to which it appealed” (Tribe, 2015: 90), Tribe explains how economists and statisticians combined their efforts to find reliable numbers and make them “fit into a consistent conceptual framework” (Tribe, 2015: 19) in an effort that took no less than 40 years. This pathway not only clarifies the complexity (and recency) of this process of effectively translating those theoretical definitions into reliable numbers but also makes explicit how the construction of the national accounts began to be directly associated with the geopolitical interests of the states, giving modern economic theory increasing political relevance.

The spread of economic accounting obtained an effective official stimulus beginning during the Great Depression because the combination of macroeconomic theory and national income estimations could actually serve to increase the effectiveness of anti-cyclical policies (Kendrick, 1970: 306). This path of growing governmental concern for the active management of national economic activity would open the door to the triumph of new forms of interventionism, which, under Keynesianism, would mark all of the postwar capitalist economies until the 1970s.

Following the pioneering work of Simon Kuznets in the United States and Colin Clark in England, along with the effective, coordinated articulation between theory and statistics achieved in Great Britain's post-1941 war effort by Keynes, James Meade, Richard Stone, and others, it is undoubtedly during the postwar period that we observe a universalization of national income estimations and the creation of bases for the international comparison of social accounting systems. The 1947 report

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<sup>3</sup> See Tribe (2015), chapter 3.



of the League of Nations Committee of Statistical Experts, in which Richard Stone actively participated, played a key role in this regard (Kendrick, 1970: 309).

The Keynesian analysis thus provided the conceptual framework necessary for the design of national accounting, which in turn would progressively provide the statistical information necessary to estimate key aggregates, relations and functions. In this way, the investment multiplier, marginal propensity to consume, and link between production and employment finally gained materiality, with a strong mutual stimulus among the developments in national accounting, macroeconomic analysis and econometrics (Beaud & Dostaler 2005: 51-2). Despite the critical voices against interventionism such as Hayek, who published *The Road to Serfdom* in 1944, the postwar period witnessed the growth of all sorts of positions advocating active economic policies. It is important to remember, however, that even if full employment policies or expansion of social protection, housing, health or education (“growth,” in broad terms) that contain at their core management of the demand component as a way to control economic activity, can be described as Keynesian, they describe much more a broad set of economic policies also inspired by other sources, including “liberal corporatism in Japan and Germany, the social-democrat tradition in Northern Europe, interventionism and Colbertism in France, where Jean Monnet had laid the basis for indicative planning with Etienne Hirsch, F. Gaillard, Robert Marjolin and Pierre Uri” (Beaud & Dostaler 2005, 48). There are several examples of these sources, including but not limited to the social market economy set in motion by Ludwig Erhard in West Germany with the support of the liberal ideas of Wilhelm Röpke and Walter Eucken, in which confidence in the market mechanism does not exclude the perspective of a state with active policies, the analyses of Myrdal and Lundberg in Sweden, the analysis of Tinbergen in the Netherlands, and others (Beaud & Dostaler 2005, 48-9).

The French case must be understood within these considerations. French national accounts (in modern terms) developed late. Although it was responsible for some of the important advances in this direction from the eighteenth century until approximately the time of the First World War, France entered into disarray with the Anglo-Saxon advances during the interwar period. Nevertheless, after its recovery began, France tended to assume an important role on specific fronts, with Perroux connected to this process in a direct and interesting way.

As noted by André Vanoli, France in the 1950s quickly took a relatively divergent position from the mainstream of national accounting systems (Vanoli, 2005, 43). Its position was associated with the increasingly autonomous work developed by the *Service des Etudes Economiques et Financières* (SEEF) under the Treasury Directorate of the Ministry of Finance amid the impetus and sense of urgency toward normalization given not only by the Marshall Plan but also (and simultaneously) by the work of François Perroux, “who played an important role in the 1940s in the dissemination of foreign research on social accounting and in carrying out thorough studies of the relevant concepts, stressed that measurements at market prices and those obtained by addition of costs were not consubstantial from the point of view of the theory of value” (Vanoli, 2005, 43).

The theme of national accounts would be one of the main focuses of Perroux’s attention in the immediate postwar period; however, this focus was not a direct—much less an exclusive—result of a Keynesian perspective. This should be understood first and foremost as a space in which Perroux would make explicit his peculiar macroeconomic view, which indeed included many elements of criticism of Keynesian ideas.

Perroux would promote what at least apparently can be considered a substantive change of ideas after the Liberation; however, here this change is described much more in terms of a selective continuation of some themes and a repositioning and reshaping of others. Perroux can be directly associated with a group of French intellectuals in the interwar period known as, in the expression of Jean-Louis Loubet del Bayle (1969), nonconformists of the 1930s, a group that revolved around Emmanuel Mounier's personalism and that was essentially interested in the promotion of a third way perspective between socialism and capitalism. Perroux's connection with corporatism arose out of this type of approach.

Although his reflection in the field of corporatism evolved essentially in the direction of defending an organized market economy connected with the idea of "labor communities" (*communautés de travail*<sup>4</sup>) accompanied by praise of individual liberties and condemnation of authoritarianism, Perroux's corporatist views of these labor communities also served as an analytical piece in his defense of the "national revolution" of the Vichy regime.<sup>5</sup> This, together with the fact that Perroux held various positions in the regime (none of great prominence), certainly offered the necessary stimulus for redefinition in the postwar period, with a search for (at least) a new vocabulary for his third way convictions. The central argument here was that concern about the study of national accounts would be an important part of this process.

To a large extent, the distinctive feature of the French experience in the field of national accounts was its direct connection, perhaps more than anywhere else, to modernization planning for the economy and the government being conducted by the French state at that time (Vanoli, 2005: 429). Although national accounting had already become a central reference for economic policies and macroeconomic language at the international level, it is this umbilical connection with planning, ensured by the fact that several of the leading figures involved with the national accounts were also central figures in the promotion of planning, that makes the French case particularly noteworthy. Again, this is essentially a gateway to thinking about Perroux's relevance in this debate, his influence on (and simultaneous criticism of) planning, and his institutional contribution to the promotion of these issues.

Indeed, Perroux skillfully and quickly repositioned himself after the Liberation. In December 1943, he resigned from the post of general secretary of the *Fondation Française pour l'Étude des Problèmes Humains* (an institution strongly identified with the Vichy regime) because of disagreements over his authority with the regent of the foundation, Alexis Carrel, who had lost confidence in Perroux (Drouard, 1992: 162-3). As early as January 1944, still under the occupation, Perroux would found the *Institut de science économique appliquée* (ISEA) with the collaboration of the *Banque de France*, the *Caisse des dépôts et consignations*, and the *École Libre des Sciences Politiques*, along with the participation of several figures who were linked to him at Department VI (*Département de bio-sociologie*) of the Alexis Carrel Foundation. However, it would be a year later, after the Liberation, that various contracts with the provisional government's public administration, along with specific public bodies, would finally be established, allowing the proper funding of the ISEA and the activities of various working groups (Mainguy, 1990: 175). Perroux had indeed managed to gather around him the

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<sup>4</sup> See Perroux 1938a.

<sup>5</sup> See Perroux, F; Urvoy, Y. [1943].

political, institutional, and material resources for the opening and full functioning of what would be his fundamental work until the end of his life and that in the postwar years would perform a very important role in the dissemination of a particular set of economic ideas in the French context. The ISEA, although somewhat unintentionally for Perroux, also played an important role during that period, supplying personnel for key institutions in the reconstruction effort such as the *Service des Etudes Economiques et Financières* (SEEF) and the *Commissariat Général au Plan* (CGP), generally as the result of personal conflicts with Perroux.<sup>6</sup>

Although an exploration of trajectories other than Perroux's one is not the main focus of this article, it seems important to illustrate some of these connections between ISEA (and before it, Alexis Carrel Foundation) and CGP, as well as to insist in the point already made by Antonin Cohen (2012, 364) that many of the names coming in to Monnet's entourage between 1946 and 1947 were or had already been part of Perroux's own entourage. We can identify several names close to or directly influenced by Perroux in the core team of the CGP, which included the some of the main names involved in the design of the Schuman Plan, the creation of the *European Coal and Steel Community* (ECSC) and years after at the administration of its High Authority in Luxemburg or involved in other prominent positions in European cooperation institutional apparatus.

In particular we can speak of the influence of ideas cultivated at ISEA and that would be incorporated in the work groups of CGP, whose the best example are the advances on national accounts as will be detailed below. The main name in this transmission is undoubtedly Pierre Uri, Perroux's beloved pupil, who becomes one of Monnet's closest collaborators since 1947, following him from Paris to Luxemburg, where Uri become Director of the General Economics Division at the ECSC. But we can also speak of several other names, starting with Robert Marjolin, Monnet's Deputy Commissioner-General, who was a student of Perroux seminar at the *Ecole pratique des hautes études* in 1938-39 (as well as Uri); and other important figures in the implementation of various aspects of planning in the period, such as Jean Vergeot, who years later would be also Deputy Commissioner-General of CGP and that worked with Perroux both at Alexis Carrel Foundation and ISEA); Jean-François Gravier, one of the main inspirers of regional planning issues at the CGP<sup>7</sup> and also a collaborator of Perroux at Alexis Carrel Foundation and ISEA); Jacques-René Rabier, head of Monnet's private office at CGP from 1947 to 1952 and a former student heavily influenced by Perroux, who was particularly close to his ideas on labor communities and his personalist third way perspective<sup>8</sup>, and that joined the CGP thanks to a recommendation from Perroux to Marjolin<sup>9</sup>; or Jean Ripert, who entered in Monnet's group in 1948,

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<sup>6</sup> On the subject of Perroux's personality, the testimony of Yves Mainguy, one of his closest collaborators at the ISEA who served his deputy secretary general at the Alexis Carrel Foundation, is undoubtedly noteworthy: "It is astonishing the power of attraction that François Perroux, just 40 years old, exercised both on his elders as well as on the younger generations. Nobody, it is known, could work long with Perroux without bumping into him, sometimes violently, because he is, thankfully, very demanding and, unfortunately, very irascible. There remains none the less for all, and in the highest degree, the one who stimulates by what he knows, what he calls into question and what he pushes, and what he gathers, even when it irritates" (Mainguy, 1990: 177).

<sup>7</sup> Gravier is the author of a very influential book on French geography and regional planning: *Paris et le désert* (1947), which denounces the extreme concentration of France in Paris.

<sup>8</sup> See in this regard the brochure *La participation ouvrière*, published by Rabier in the collection "Les Groupes Travail", organized by Perroux.

<sup>9</sup> Historical Archives of the European Union / Oral History Collections/ Jean Monnet, Statesman of Interdependence - collection / Jacques-René Rabier, Interview by F. Duchêne (Bruxelles 16/11/1988).

taking part at the negotiations for the creation of the ECSC and that from 1963 to 1967 would be the Commissioner-General of CGP, which gives us an interesting testimony of how Perroux was a compelling influence for a whole generation of economists who became involved in post-war planning activities. Describing Perroux, Ripert said that he “had an ambiguous attitude on certain questions which displeased me, but everything was ambiguous at that time!”, but also insisting that in comparison with his other professors during the wartime, Perroux was definitely a “fascinating personality” (Fourquet 1980, 44-5).

With the creation of the ISEA, by 1944, one of Perroux’s first work fronts would be related to advances in the field of national accounts in the Anglo-Saxon world, working in direct collaboration with Pierre Uri and Jean Marczewski. Some months after the Liberation, at the request of René Pleven, the Minister of Finance of the Provisional Government, Perroux was in charge of a mission to England (in June-July 1945) to investigate these questions.<sup>10</sup> The work would expand in the following years and in April 1946, just three months after the creation of the CGP, under the influence of Robert Marjolin, who was second-in-command to Jean Monnet and close to Perroux, the ISEA received a request to undertake a detailed study on the subject to provide the new French plan with more rational and quantitative bases. With a view toward establishing methodological bases for the calculation of French national income, this work gave rise to a series of memoirs and articles written throughout 1946, particularly *Le Revenu National* (1947), which collected contributions from Perroux, Pierre Uri and Jean Marczewski (see Cohen, 2006: 584-5; Fourquet, 1980: 68; Mainguy, 1990: 179).

The first years of the ISEA’s operation corresponded to a period of intense intellectual activity by Perroux. Indeed, it is possible to discern a line of continuity of some concerns that had already gained attention in Perroux’s corporatist analyses, albeit with reorientation and careful selectivity of terms. The second half of the 1940s can be understood to bridge Perroux’s ideas from the interwar and war periods to the moment in the 1950s when it becomes possible to see the main themes of Perroux’s works defined. In a few years in the immediate postwar period, preserving some ideas and reshaping others but most of all expanding and deepening his research, Perroux would then define the organizing nuclei of his work in the coming decades, which include at least three dimensions (all greatly interconnected): (a) the theory of the dominant economy in its multiple dimensions, (b) Perroux’s reflections on economic space and poles of growth, and (c) macro-decisions, planning, development, and interconnected issues, including human costs and collective creation. To a large extent, all of these fronts were opened in those early years of the ISEA, either in the form of Perroux’s individual research or in connection with the collective effort of different working groups, whose results often appeared first in the institute’s publications and were later collected/reformulated in books (published in the collections “Theoria” and “Pragma,” directed by Perroux at the Presses Universitaires de France). Good representations of Perroux’s theoretical and practical concerns in those years may be found in analyses of the first issues of the ISEA’s publications: “*Économie Appliquée*” (first published as *Bulletin de l’Institut de Science*

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<sup>10</sup> Perroux would recall this journey years later by emphasizing its importance in establishing direct contacts with several colleagues, including John Hicks, Richard Stone, Roy Harrod, Joan Robinson, Thomas Balogh, Denis Robertson, and Friedrich von Hayek (Perroux, 1981: 151-2). Pierre Uri, however, remembering this trip many years later, stated that this was exactly the moment at which his relation with Perroux began to deteriorate. Perroux’s hearing problems and the fact that he did not speak English as well as Uri prompted their interlocutors to speak directly to Uri and not Perroux. This was followed by direct invitations to Uri to contribute to publications and other incidents indicating that Uri was favored (Uri: 1991: 45).

*Économie Appliquée* between 1946 and 1948 and then as *Économie Appliquée - Archives de l'Institut de Science Économique Appliquée*), and especially the *Cahiers de l'Institut de science économique appliquée*, published beginning in 1944 and eventually known simply as “*Économies et Sociétés*.”

These *Cahiers*, composed of several series, essentially reflected the work of the ISEA's main research groups. The first three series were dedicated as follows. Series A (in direct collaboration with Perroux's close friend Maurice Byé) presented the international monetary plans and the question of international investment developed by Perroux, for example, in his book *Le Plan Marshall ou L'Europe nécessaire au Monde* (1948c). Series B was devoted to “remuneration of work and wage policies,” of which the main results would be presented in the book *La participation des salariés aux responsabilités de l'entrepreneur* (1947). Series C addressed “social security,” essentially focusing on the analysis of the Anglo-Saxon social security plans, starting with the *Beveridge Report*. Soon to follow these initial series was the very active series D, dedicated to “National Income,” publishing the latest results of the study commissioned by the CGP.<sup>11</sup> The studies were produced by Perroux, Uri and Marczewski (among a few others) and were later mainly collected both in the above-mentioned *Le Revenu National* (1947) and in Perroux's *Les Comptes de la nation* (1949).<sup>12</sup>

The question of planning, even if advocated by Perroux, is seen to have relatively clear limits to prevent authoritarian developments. Planning does not, therefore, summarize Perroux's interest in national accounts. His concern goes beyond the technical instrument of social accounting and its use in planning. There is an underlying theoretical interest that concerns the positive fruits, which, according to him, could be expanded to address problems arising from the separation of the “macroscopic” and “microscopic” dimensions. Perroux regrets that France is not yet taking advantage of the opportunities to articulate these dimensions and becoming more decisively involved in the international debate. Simultaneously, however, he envisages at the end of the 1940s that France's then-current renewal in economic thinking could generate new possibilities in the following decade (Perroux, 1949: 220-1).

Perroux's starting point in chapter 1 of *Les Comptes de la Nation* is “L'analyse économique modern: le qualitatif et le quantitatif, Le macrocosmique et le microcosmique.” He offers a comprehensive account of the economic literature that aims to situate the theme of national income, economic aggregates and quantitative economic policy, which he develops throughout the book in a broader analytical framework. Particularly notable is how Perroux characterizes the problem, insisting that the fabric of economic life is composed equally of individual and mass behaviors, that the latter cannot in turn be treated as a simple aggregation of individual behaviors, and that the advances of the economic analysis may one day sustain the elaboration of a general synthesis of these dimensions: “The behavior of a statistical set can not be deduced from the isolated behaviors of the individuals that compose it. It is legitimate to apply the means of scientific research to one of these behaviors. The two theories that follow from it will perhaps someday be a matter of a general synthesis: this one is not ready yet” (Perroux, 1949: 19).

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<sup>11</sup> On these first series see Zarka, 1959.

<sup>12</sup> Perroux indeed occupied some prominent positions in this debate. For example, he participated in the 1947 creation of IARIW (*The International Association for Research on Income and Wealth*). At the formative meeting, held in Washington in September 1947, he participated in the provisional Council of 9 persons, accompanied by Kuznets, Stone, C. Radhakrishna Rao, Clark, Milton Gilbert, J. B. D. Derksen, E. F. Lundberg and Jan Tinbergen (Vanoli, 2005: 427). He also was a member of the 1946 commission for the elaboration of the PCG (*Plan Comptable General*) (Bruno, Jany-Catrice, Florence: 2016, 143).

One striking point, however, that appears as early as the foreword and is taken up in different parts of the book is Perroux's critical reflection on planning, considering multiple connected issues underlying the calculation and use of the concept of national income and other aggregates for planning purposes. Perroux insists that the statistical quantification of economic aggregates and its theory, whose importance was already evident at that time (from the projects of regional federalism to the composition of national aggregates on a global scale), are essential to the establishment of both plans and their critique, even in relation to less authoritarian plans. Additionally, referring to the models developed by authors such as Pigou, Keynes, Hicks and Lange, Perroux warns that it is nevertheless necessary to consider the multiple choices and arbitrary relations involved in establishing abstract methods and relations with the goal of translating the real phenomena of economic functioning (Perroux, 1949: 22-3).

Perroux's criticism is presented in different forms. One central aspect of that criticism is the direct controversy with what was then being promoted within the framework of the CGP, with the argument in the foreword of his book that one of the basic steps for France to have a "respectable national accounting" is to entrust to "*different* institutions" the functions of calculating the numbers and using them for planning purposes (Perroux, 1949: 22-3). In the final part of the book, he again criticizes the limits and reliability of the data available to France, particularly the dispersion and uncertainties associated with the work of the CGP and the technical team assembled by Monnet and Marjolin (Perroux, 1949: 218). Again, he insists (in detail) that "the development of numeric data on national income and the making of the Plan by the same body are not without *serious* disadvantages" (Perroux, 1949: 225). One cannot deny the presence here, however, of not only a critique of planning but also Perroux's resentment of the work that his dear pupil, Pierre Uri, has been developing in the CGP after his breakup with Perroux.

Perroux's interpretation thus seems to include his resentment of the CGP in relation to the limits of his influence over his former pupils, who, by then, had positions at key institutions for the calculation and operationalization of national accounting in France (CGP and SEEF).<sup>13</sup> This should not, however, cloud the reading of Perroux's analysis as containing a vision that is indeed less interventionist/dirigiste than the path that France was following. It is possible to state that Perroux's perspective throughout the book is much closer to the Social Market Economy (*Soziale Marktwirtschaft*) then being promoted in West Germany.

Here, the new shades of Perroux's postwar third way idea are clear and are still in line with the idea of an "organized market economy," previously advocated in *Capitalisme et Communauté de Travail* (1938a) but that in the postwar period would be painted as "liberal interventionism." This liberal interventionism, however, is not a direct unfolding of Keynesianism, as one might assume, but instead an approximation of the ideas then advocated by, for example, Wilhelm Röpke. Perroux insists that "quantitative economic policy requires a minimum of *planning*"<sup>14</sup> and that even the most uncompromising liberals of that time no longer repudiate this type of planning, making direct reference to the idea of liberal interventionism explicated by Röpke (Perroux, 1949: 63). Perroux also seems to

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<sup>13</sup> On this point, see Dangel-Hagnauer, Cécile; Raybaut, Alain. 2007.

<sup>14</sup> "Planning" is written in English in Perroux's original.

make a point in adding, in two separate footnotes and following Röpke<sup>15</sup>, that the latter elaborates the concept in theoretical terms in his book *Civitas Humana* but that it was Alexander Rüstow (one of the fathers of the Social Market Economy) who originally coined it (Perroux, 1949: 54n and 77n).

Also in those years, Perroux publishes his well-known *Le Capitalisme* (1948b) as part of the series “Que sais-je?” in which his idea of a third way in terms of liberal interventionism becomes clear. As he explains in that book, there are different types of liberal interventionism, depending on the state’s greater or lesser ability to determine the “rules of the game.” He presents a prognosis of the continuous expansion of the organized market economy, stating that “in the twentieth century every one that is not a collectivist is a liberal interventionist, knowing or not, saying or not” (Perroux, 1948b: 124). In a 1950 text discussing the connection between liberal interventionism and Keynes’ ideas, Perroux stresses the importance of Keynes’ contribution but not without criticizing the English author, stating, for example, that Keynes’ work contains insufficient analysis of issues such as the power of trade unions and employers, mechanisms of state decision making, and the specific constraints of the economy at the international level, all themes that Perroux seeks to address in his own work (Perroux 1950c, 47 / Dostaler & Hanin 2006, 167). To a large extent, this also helps us to understand how the liberal interventionist approach as understood by Perroux has continued to incorporate essential elements of his perspective of organized market economy, originally defined in corporatist terms.

We note the small list of references included by Perroux at the end of *Le Capitalisme* (1948b), which points to a background of books essentially within the liberal and anti-interventionist perspective, which helps understand the type of conception that supports Perroux’s positive but very cautious analysis of planning regarding the limits of interventionism. Among the “fundamental works on capitalism” are three “history” books, including one by Werner Sombart, one on “statistical interpretation” by Colin Clark, and six on “economic analysis”: Gaëtan Pirou (*La Crise du Capitalisme*, 1934), John Jewkes (*Ordeal by Planning*, 1948), John Maurice Clark (*Alternative to Serfdom*, 1948), Frank Graham (*Special Goals and Economic Institutions*, 1942), and especially Joseph Schumpeter (*Capitalism, Socialism and Democracy*, 1942). Perroux includes an additional comment on the latter, stating that it is a fundamental work by one of the greatest economists of all time; his references also include Friedrich Hayek (indicating the French edition of *La Route de la Servitude*, published in 1945), with the following comment: “this work by an undisputed master must be completed by reading his remarkable lecture: *Individualism: True and False*” (Perroux, 1948b: 135)<sup>16</sup>.

We remark again on some aspects of a continuum in Perroux’s ideas of the third way before and after the war. Already in *Capitalisme et Communauté de travail* (1938a), there is clear concern about qualifying the importance of freedom, offering some limits to interventionism and developing an idea of an organized market economy that is essentially closer to capitalism and a safe distance from socialism.

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<sup>15</sup> See Röpke, 1948 [1944]: 28.

<sup>16</sup> It is important to add here that the formative context of neoliberal ideas in France in the interwar period is also heavily linked to the question of the third ways, standing essentially between planning (*planisme*) on the one hand and traditional liberalism on the other, with the idea of providing a proper legal framework capable of ensuring the functioning of the competitive mechanism, as analyzed by Denord (2016, 369). Undoubtedly this is also an important point for the understanding of the types of alignments Perroux has produced in his third way perspectives.

In 1938, Perroux also publishes a preface to the French edition of Ludwig von Mises' book on socialism (Perroux, 1938b). Because socialism was not an answer for someone like him, who, faithful to the lessons of his Austrian masters, saw that the market could not be suppressed completely as a mechanism for the establishment of prices in the economy, Perroux also did not believe in the possibility of a return to a capitalism of small units. The position that he defends is thus the creation of an "organized market economy"; moreover, the "labor communities", with their direct representation of employers and workers of each branch of industry in an egalitarian manner, with their differences arbitrated by the state, will be the means of building it (Perroux 1938a, 182-6; Perroux 1938b, 56-7 and Jackson 2005, 159).

Perroux also notes that corporatism is first and foremost a product of the Depression and that this context above all is what creates the opportunity for forms of conservative interventionism. His idea of the labor communities nevertheless differs both from other theoretical perspectives of corporatism and from the concrete experiences lived then in Europe. From his perspective, and taking into account that the crisis then occurring should be understood as a crisis of the capitalist system itself, labor communities were a representation of a possible "regime" in the transformation/metamorphosis of capitalism, along with the partial socialization of state capitalism. In Perroux's exercise of anticipation, the half-century following his period of focus (the 1930s), i.e., the lifetime of the generation that was then 20 or 30 years old, would be marked in the great nations of Western Europe by an organized market-economy regime (Perroux 1938a, 194-5).

One of the distinctive features of Perroux's vision under corporatism was indeed his attention to the development of the human being as an individual and the non-obliteration of the issue of freedom. This would manifest itself, for example, in the question of the organization of labor communities, which were distinguished from corporations because of the element of freedom of participation in the organisms of effective worker representation and therefore did not serve as simple mechanisms to enforce the authority and tutelage of the state (Cardoso 2012, 110).<sup>17</sup>

## 2. PERROUX'S "PERSONAL EQUATION"

This brings us back to the difficulty of situating Perroux within the intellectual context of postwar French economists or rather, of categorizing him precisely and with univocal labeling, because his ideas include a large set of combinations of positions, albeit all connected to his various institutional articulations. Considering the whole set of works produced by Perroux, it is not difficult to qualify the result as an eclectic ensemble. But what seems to us an essential point is to think that from the point of view of Perroux's "personal equation" there is a deliberate (even if not necessarily successful) attempt at unification of different issues, other than simply eclecticism. We can see multiple and unusual combinations, but not in terms of a juxtaposition of ideas from diverse theoretical perspectives with a view to forming a pluralistic and multifaceted world view. In contrary, it is much more a genuine quest to build a new and unifying theoretical system.

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<sup>17</sup> This "humanistic" perspective of corporatism would be present, for example, in a new wave in Portuguese corporatism in the 1950s with strong inspiration from the tradition of social Catholicism and in particular, the work of Perroux. These authors would have no problem referencing Perroux's works from the 1930s with new works related to economic development that would appear in the 1950s and 1960s (Cardoso 2012, 109-10).



From the second half of the 1930s until at least the wartime, it is under the corporatism, and more specifically, in the connection with the idea of labor communities, that Perroux would develop his economic ideas. It is imperative to see in this representation the influence of Emmanuel Mounier's personalism on Perroux's work, which is undoubtedly one of the sources of his third way perspective, in direct association with nonconformist groups in France during the 1930s (see Cohen 2006, 572-6 & Bayle 1969), but it is also possible to articulate this particular sensitivity the individuals and the development of the human being also with a distinct set of influences.

It is possible to say that the particular shape of Perroux's third way perspective, even in regard to corporatism, is also linked to some liberal positions. In particular, it is possible to link this question to how Perroux saw himself as an economist and the importance he attributed for his training and direct contact with the Austrian school in 1934: his “‘birth certificate’ as an economist”, as he once said (Perroux, 1980).

During Perroux's sojourn in Vienna with a fellowship of the Rockefeller Foundation he attend the seminar of Ludwig von Mises, exactly at the moment when other scholars from different parts of the world where also there, including names such as, for example, Ragnar Nurkse of Hugh Gaitskell. Perroux offered a vivid account of his contact at that time with different characters at the University of Vienna, such as Oskar Morgenstern, Richard von Strigl, Hans Mayer or Othmar Spann (Perroux 1980, 148-9).

Perroux's “personal equation” is a complex one, a one that puts together different variables such as his Catholic humanism, his communitarian and corporatist views, as well as his background of his filiation with the Austrian school. A clue to penetrate in the building models followed by Perroux to his own ideas can be derived from his considerations about the work of one of his most fundamental references: Joseph Schumpeter. Speaking of the “personal equation” of Schumpeter, in a text published in 1935 as an introduction to the French edition of Schumpeter's *The theory of economic development*, we can surprise Perroux also talking about himself.<sup>18</sup>

We could go through this line of reasoning, for example, to think about the aspect that Perroux stress about the influence of Friedrich von Wieser in Schumpeter's ideas, in which the development of the collectivity could not be reached without a continuous effort of creation, arguing how this would shape the idea of “new combinations” within the dynamics of innovation in Schumpeter's work. (Perroux 1965, 19) We can read this in the same perspective that years after the concept of “collective creation” would take form in the work of Perroux on the dynamics of creation having as source of direct inspiration in the Schumpeterian dynamics of innovation.

But one of the main aspects of Perroux's interpretation of Schumpeter's personal equation is that he is first of all an “unifying” and not an “eclectic”, and that his work is essentially marked by a quest to build synthesis between theoretical approaches very different at first (Perroux 1965, 21). Similarly, another important dimension, would be to look at his own work from the perspective of “continuity”, thus: “Like all true men of science, he strives for originality by transcendence, by extension, instead of indulging in a pseudo-originality by opposition and contradiction” (Perroux 1965, 34).

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<sup>18</sup> This long preface, together with a paper from 1951 would form a book published in 1965, concerned to the economic ideas of Schumpeter. Cf. Perroux (1965)

It is exactly these visions about “unification” and “continuity” in Perroux’s perception of Schumpeter, which allows us to think that there is a striking permanence of Perroux’s main themes and ideas before and after the World War II, even that with many replacements and sometimes suppression of one or another term that would become uncomfortable within the new political times. His communitarian views, for example, would be prolonged in his motto the “development of the whole man and of all men”, as well as the insistence on the issue of collective creation as a central element of the dynamics of capitalism and as at the same time a medicine for social alienation. Thus, as in the familiar formula of Joseph Ratner (1926, xlvii) to synthesize a psychological law present in the work of Baruch Spinoza (“Paul’s idea of Peter tells us more about Paul than about Peter”), we can think as Perroux end up revealing much of his own way of thinking when dealing with Schumpeter’s ideas.

Having this in mind and reflecting specifically on Perroux’s work in the second half of the 1940s, perhaps the essential point to be considered is that his interest in the topic of “national accounts,” and with it a certain proximity to Keynesian macroeconomics in the postwar era, was never a matter in itself but only one part of a larger goal that was also related both to his third way perspectives and to his specific concern with the advancement of theory in terms of an approximation of the macroscopic to microscopic analysis, in other terms, “unification”.

Reflecting on the French economists of the 1950s, Richard Arena (2000) offers an interesting interpretation of Perroux’s place in this milieu. According to Arena, Perroux would belong to the category of “realistic-sociologist economists”<sup>19</sup> in opposition to the group of liberal economists within the university; however, the “realistic-sociologist economists” should not be confused with the Keynesian and neo-marginalist groups that would inform the debate among economists outside academia. It is indeed within this “realistic” perspective (realistic + utopian, in some sense) and in taking a broad social view of economic action that we can better situate Perroux, remembering that his positions did not overlap with those of the Keynesian group, particularly because of his disagreement with the “dynamic ambiguities” of Keynesian analysis (Arena 2000, 989).

This perspective helps introduce the specific place of theorization on domination in Perroux’s ideas. As Arena suggests, Perroux and other economists of this realistic-sociologist tradition were particularly interested in constructing a theory of structural change marked by a “total dynamics.” This realistic-sociologist approach also included a clear attitude against reductionist and restrictive perspectives but simultaneously sought a view between methodological individualism and a type of analytic “holism,” whose characteristics are undoubtedly present in Perroux’s work. The idea, in other words, was to produce an intermediate point between the microscopic and macroscopic dimensions in which the study of individual behaviors continued to play an essential role in understanding the functioning of economic activity but in which one sought not to incur in the formalization reductions generally associated with the marginalist tradition. This would lead to a search for the incorporation of different dimensions (e.g., sociological, psychological) in the understanding of economic agent behavior (Arena 2000, 985-6). This perspective on the “realistic and sociological” analysis would be emblematically represented in Perroux’s study of the domination effect in his well-known article of 1948a: “Esquisse d’une théorie de l’économie dominante.”

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<sup>19</sup> Arena does not refer to Perroux as an eclectic author, reserving this label to author such as Henri Guitton, as combining liberalism with the strong influence of social Catholicism (Arena, 2000: 978).

Arena, however, presents a harsh critique of Perroux's theory of domination, insisting that Perroux actually does not propose a precise and unified representation of the effect of domination and that "in the absence of such representation, it is as if the developments proposed by Perroux developed into establishing an enumeration of 'frictions' or institutional specificities that prevent the free play of the market to unfold. They do not constitute, for example, a true alternative theory of competition, but rather an approach to certain imperfections that the neo-marginalist economy had already taken into account" (Arena 2000, 987).

Arena also reminds us that this helps illustrate the limits of not only Perroux's analysis but also that group of French political economists with a realistic and sociological conception: "it has developed a research program that is sometimes relevant, often promising, but it has never been able to acquire the means to achieve it" (Arena 2000, 988). The criticism has some elements in common with Mark Blaug's well-known severe view of Perroux's theory of domination, stating that this theory is a non-falsifiable set of ideas and is "simply a slogan masquerading as a theory" (Blaug 1964, 563). However, these arguments do not seem to us entirely fair to Perroux, especially if we consider the overall influence of his ideas (and the extensions of his theory) on analyses in the fields of international political economy and regional economic development.<sup>20</sup> However, Perroux himself seemed to acknowledge that his theory remained an incomplete endeavor, and in his later works from the mid-1970s until his death in the 1980s, he took up the subject repeatedly in an effort to complete it. As Benjamin Higgins noted, at the end of his life Perroux "was still struggling to fill in the gaps in his general theory; the structure was incomplete. What is more tragic, he knew it" (Higgins 1988, 33).

### 3. THE MARSHALL PLAN AND EUROPEAN INTEGRATION

Few scholars maintain that there are more elements of continuity than rupture in Perroux's economic ideas before and after the war. Joseph Love, for example, highlights that Perroux's work in the field of development economics from the 1950s onward has marked continuities with his corporatist studies in the 1930s, particularly those regarding monopolies and oligopolies, laying the ground for his theorization on economic domination after the war (Love 1996, 111-2). Also producing a thought-provoking reflection in this direction is Antonin Cohen, who, although highlighting "symbolic ruptures," also explores "practical continuities" within Perroux's ideas, connecting his work in the 1930s with a particular appropriation of Keynesianism in the immediate postwar period (Cohen, 2006).

Cohen's argument is fundamentally that in the postwar period there is an immediate (and logical) retraction of the influence of corporatism but not of the idea of the third way connected to it and that it would be within the framework of Keynesianism that Perroux would redefine his third way

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<sup>20</sup> Steven Meardon (2000) provides an interesting overview of regional and geographical economics, showing how the concept of the growth pole achieved practical importance to a type of economic development policy that gained popularity worldwide. However, Meardon reinforces Blaug's line of argumentation, insisting on the theoretical limits of Perroux's attempt. In a different direction, reinforcing the importance of Perroux's theoretical contribution to the field of regional economics, see Higgins and Savoie, 1988, who collect contributions by several authors, providing a sophisticated introductory analysis on Perroux's ideas in the field and Perroux's very last essay on "development poles."

perspectives. Cohen's analysis of how Perroux's third way ideas were originally stated in corporatist terms in connection with the idea of community (which indeed became an operative unit of analysis for Perroux) seems essentially correct. It is mostly that type of perspective that gradually shaped Perroux's notion of human economy. However, it does not seem correct that it was exactly in the direction of Keynesianism that Perroux's ideas in the postwar period were reshaped. Perroux's approach to Keynesianism was no more than partial, and it is important to remember that although he was important in the dissemination of Keynesianism in France, in his texts, as a rule, Perroux generally presented a critical evaluation of Keynes' ideas.

However, as noted above, Perroux's connection to the debate on national accounts was undoubtedly deeper. In this sense, Keynesian macroeconomics became an important source of reflection and work for Perroux during this period but was never fully incorporated into his analytical core and his theorization about economic dynamics. His third way views indeed took the form of liberal interventionism, but one that would not completely fit Keynesian interventionism terms if we compare it with, for example, the perspective of the social market economy. The insistence on planning as no more than indicative is one of the specificities that detaches him, for example, from the French dirigisme framework, which is more easily associated with Keynesianism. Nevertheless, there are other persistent dimensions in Perroux's work, essentially associated with his "human economy," which do not merit specific reflection here but that should also be understood as part of his third way perspective. Nevertheless, in the second half of the 1940s, these themes apparently were not Perroux's primary focuses, with their importance for Perroux's work not reinvigorated until the 1950s, restoring the line of continuity with Perroux's previous work. In this sense, it seems within the scope of the specification of the idea of liberal interventionism that Perroux's reshaped notion of the third way in the immediate postwar period takes form, being connected in both theoretical and practical terms to his ideas on national income and social accounts.

Before concluding, we address an important related topic directly associated with Perroux's reading of liberal interventionism that gained prominence in his analyses during that period: the debate on European integration. We can briefly resume Perroux's path on this topic from his discussion of the Marshall Plan, passing through his theoretical considerations on economic space and domination, to his criticism of the first draft of European integration with the Schuman Plan, leading him a few years later to produce an important book on the topic: *L'Europe sans rivages* (1954).

In *Le Plan Marshall ou l'Europe nécessaire au monde* (1948c), Perroux fundamentally addresses the understanding of the European reconstruction plan within the framework of the US position in the international economy as a "dominant economy." Here, he uses a concept that will recur in his analyses of European integration—the idea that the Europe "necessary to the world" should be a result of a "devaluation of frontiers" and not of the formation of a bloc, simply moving national boundaries to comprise a broader territory (Perroux: 1948c: 20-1 passim). This idea would be the core of his analyses on the subject that took shape in several texts produced after the immediate postwar period and that would assume its final form in *L'Europe sans rivages* (1954), as a synthesis of theoretical elements and his political positions.

The theme of European integration has already occupied Perroux's attention during the wartime, as can be seen in the article "La monnaie dans une économie internationale organisée" published in the

*Revue de l'Économie Contemporaine* (Perroux 1943), but it is only after his analysis of the Marshall Plan that in fact the theoretical core relative to the dominant economy and to a new reasoning on economic spaces effectively appears and begins to gain prominence in his work. The 1943 article reflects on international monetary integration and essentially on the case of the European federations, in corporatist and communitarian terms (Perroux 1943, p.10). But as Arnaud Manas insists, in order to understand Perroux's plan, another article must be analyzed together. Published a few months earlier in the same journal, Gaël Fain's article ("Bancor, Unitas, Europ: Plans récents tendant à normaliser les règlements internationaux – Analyse comparée du plan Keynes, du plan White et du plan 1940") also is part of the context in which the discussion of the allied post-war monetary plans began to take shape. The articles by Perroux and Fain, both former members of the Council of Economic Studies created by Vichy's finance minister Yves Bouthillier, appear to have been originally intended as a kind of French counter-proposal to German's economic policy post-war planning of (*wirtschaftspolitischen Nachkriegsplanung*) formulated in 1940 aiming at the new order that would follow the possible victory of Germany in the war and in which the monetary matters were one of the centers of discussion (Manas 2016, 535-562; Nord 2010, 94 & Margairaz 1991, 499-539).

Throughout *Le Plan Marshall*, Perroux effectively connects his analysis to the question of the dominant economy and theorization of the domination effect. He understands the nature of US motivations and its position in the world in terms of an internationally dominant economy and criticizes the view of a monolithic Europe, insisting on appreciating America's role in the reconstruction not only in terms of a pure economic analysis (Perroux 1948c, 219). He also criticizes liberal and Marxist views on the issue (Perroux 1948c, 22) and insists that this should be seen as an opportunity not for the creation of a bloc under US influence/domination but to begin the aforementioned devaluation of frontiers and to promote something like a "union of the European peoples of the West" (Perroux 1948c, 10).

This topic also received analytical treatment in another text written during that period, "Economic Space: theory and applications" (1950a), which helps show how the discussion of European integration would be a key subject in Perroux's postwar analyses in both theoretical and practical terms.

The paper, originally presented as a lecture at Harvard University in 1949, is a central piece in Perroux's reflections on the connection between space and economics, informing all of his subsequent discussion on growth poles but simultaneously providing an example of how Perroux's vision of Europe was marked by a sophisticated spatial reasoning that goes beyond the notion of geographical space and seeks inspiration, for example, in topology in thinking about abstract space. The discussion carried out by Perroux in the lecture would be essentially abstract and theoretical, creating a tripartite classification for economic spaces, such as "(1) defined by the plan; (2) as a field of forces; and (3) as a homogeneous aggregate" (Perroux 1950a, 94); however, and notably, both the starting and finishing points of the discussion occur in the context of the discussions about European integration that were taking shape at that time in the negotiations of the Schuman Plan.

His arrival point in the paper is an application of his theoretical perspective on economic space to address the case of what he called the "European Union": "If one applies the analysis here outlined to a group of nations (why not Europe?) one is radically cured of the seduction of European economic space, of the great nation of Europe, and of the great European market and even of the 'liberal bloc'. One distinctly perceives the difference between an economic cooperation that *devaluates* frontiers and one that pretends only to move them back; between a helpful empiricism which frees trade in and around the nations of Europe and a so-called federalist doctrine which only lowers the obstacles to trade inside

by transferring them to the circumference. The European economy like all other economies is not localizable and the policies which forget this truth are harmful” (Perroux 1950a, 102).

Perroux’s perspective of regional integration, aiming at a progressive devaluation of frontiers while including a vision of regional development and sectorial integration, in principle should not have made the proposal for the creation of the European Coal and Steel Community (ECSC) inconsistent with his ideas (which, however, would not be the case with the creation a few years later of the European Economic Community (EEC), which indeed was conceived as a restricted bloc of a few countries). Nevertheless, the Schuman Plan was harshly criticized by Perroux in different articles from this period, particularly one from 1950 titled “Le pool du charbon et de l’acier, illusions et réalités,” which includes the same type of criticism (including doses of personal resentment) presented in *Comptes de la nation* (1949).

A brief quotation from the text is sufficient to convey the tone of his analysis: “As for the opinion that the pool is the ‘beginning of a European federalism’, let’s say that it is an article of faith or confusion of mind. The pool may be the beginning of several European federalisms, or be the beginning of *none*. I will look for the second diagnosis” (Perroux 1987[1950], 357).

In an article for the newspaper *La République* that same year, Perroux draws an explicit and interesting connection between the Schuman Plan and the idea of liberal interventionism: “The pool can therefore be considered as a major example of liberal interventionism. Their creators do not give up either the pressures of competition, or the virtues of authority” (Perroux 1950b). In a non-published portion of the same article that remained a manuscript in Perroux’s papers, he continues with more specific and technical associations, connecting the topic to his reflection on economic space: “The economic chances of the project are intimately linked to the dissociation of the economic spaces that it can generate.”<sup>21</sup>

In this sense, although recognizing that Perroux’s criticisms of the concrete delineations of French and European economic policies at that time were related to his theoretical convictions, there is no way to go beyond what appears to be simply the author’s strong animosity toward CGP’s team and his difficulty to endorse the design of the Schuman Plan, proposed by Monnet but indeed a collective work, with the direct collaboration of Paul Reuter, Etienne Hirsch and Perroux’s former pupil, Pierre Uri (Cohen 2006, 590; Cohen 1998, 645; and Lovett 1996, 431).

A final example helps characterize how much the work carried out at the ISEA in its early years was fundamental not only to promoting the system of national accounts in France, as argued above, but also to the very path that European integration would take. Although there is controversy over who was primarily responsible for the suggestion of the model for the High Authority that would be the ECSC’s most emblematic institution (see, for example, Cohen, 1998), there is little doubt that the *Tennessee Valley Authority* (TVA), created in 1933, was the institution that would provide the basic model for the High Authority (see, for example, Sutton, 2011: 57). The TVA would soon become an institutional model for regional development in different parts of the world. It was also the TVA that provided the primordial practical example of what would later be theorized by Perroux in his work on growth poles (Higgins & Savoie 1988, 5-6). Notably, the documents from one of the dossiers of the Pierre Uri Fund at the Historical Archives of the European Union concerning his work as “charché de mission” at the

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<sup>21</sup> Institut mémoires de l’édition contemporaine – IMEC (Caen, France): Fonds François Perroux / PRX 40.11 – Le pool du charbon et the l’acier et le plan Shuman, illusions et réalités. Octobre-Novembre 1950.

ISEA between 1945 and 1947 include, among several documents with examples of US and UK experiences in national accounts and planning issues that highlight topics such as nationalization and the creation of centralized agencies, printed and handwritten documents about the TVA.<sup>22</sup> This not only attests to the interest in the subject, which would be explored in practical and political terms by Uri and in theoretical ones by Perroux but also specifies the context in which both were involved with the topic at the ISEA.

#### 4. CONCLUDING REMARKS

There are indeed redefinitions in Perroux's ideas in the post-Liberation moment, which includes the incorporation of new lines of research and some selectivity in relation to his previous work; however, as argued above, these ideas also include a strong sense of continuity and did not produce a completely different perspective in terms of his third way views. Perroux's idea of a third way, inscribed within (organized) capitalism, continues to argue against authoritarianism but increasingly contains an explicit approximation of liberal discourse in terms of a perspective of liberal interventionism close to Röpke's ideas. The question of national accounts would indeed be the new element in this context (although it was not absolutely new, given that it was already one of the preliminary paths identified in the work of Perroux and his team at the Alexis Carrel Foundation<sup>23</sup>). However, those studies worked not as a direct unfolding of the Keynesian macroeconomics for Perroux, as argued above, but instead (and much more) as part of a complex set of ideas aiming at an approximation of macroscopic and microscopic perspectives.

Undoubtedly, in the immediate postwar period, the ISEA functioned not only as a base for Perroux's work but also as a center for the dissemination of an important set of ideas in France, with a direct impact on issues such as the formation of the national accounts system, the establishment of the planning apparatus, and the European integration process. This was done not only in terms of the dissemination of ideas but also in the dispersion of individuals who worked on the ISEA's research teams to institutions such as the SEEF and the CGP.

For a few years in the immediate postwar period, the ISEA did indeed function with full creative power, and this certainly contributed to stimulate multiple new developments in Perroux's work, which he followed in the subsequent decades. However, the number of Perroux's collaborators and the extent of his influence on French economic thought would decline beginning in the 1950s. A conversation between Albert Hirschman and Maurice Byé years later (1957) in Rio de Janeiro, Brazil, expresses a sense of the opportunity lost by Perroux, who, according to the evaluation of Byé, his "close and old personal friend," could have created a truly important group around him but unfortunately did not, mostly because of his difficult personality: "Byé is a close and old personal friend of Perroux, admires him but has no illusions about his 'character'. 'If only he would antagonize less people, he could have built around him an important group of French economists'" (Hirschman, 1957)<sup>24</sup>.

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<sup>22</sup> Historical Archives of the European Union / Fonds Pierre Uri / PU-6.

<sup>23</sup> See Drouard, 1992: 216.

<sup>24</sup> "Diary: Brazil and Colombia," 1957 Princeton University Library / Albert O. Hirschman Papers – MC #160, Box 57, Folder 10. I thank my colleague Andrés Guiot for generously providing me with a copy of this document.

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