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# **TOWARDS AN ECONOMIC SOCIOLOGY OF ECONOMICS ?**

## **NOTE FROM THE EDITOR**

This new issue of the Economic Sociology Newsletter raises the question of the role of professional economists and the discipline of economics in public policy and the construction of the economy. This will be one of the central themes of the Newsletter during the coming year.

Especially since the “neoliberal revolution”, there is a growing number of publications which deal with the role of economic experts and economic beliefs in the social construction of states and markets. One of the explicit aims of this issue of the Newsletter is to connect the sociology of the economic profession and economic discourse, which has developed under the influence of scholars such as Andrew W. Coats, to the sociology of economic practices. Economists and other economic experts have developed various languages, they have studied different sectors of social life and different regions of the world, but they share certain common interests, a particular perspective and specific methodologies. Part of these shared concerns are related to the Americanization of the discipline after the Second World War. This phenomenon is one of the critical aspects of the development of economic expertise in many regions of the world and is related to more general questions of cultural and political domination.

The comparative dimension of these questions, to which less attention has been paid, has recently emerged as a central issue: if economists have clearly gained a stronger influence in public and private policies in most countries since the 1970s, it must be emphasized that the institutional and social construction of the discipline and the profession remain to a large extent embedded in specific national contexts.

These and similar issues will be pursued in the Newsletter in course of the coming year, thus hoping to broaden the scope of economic sociology, to enrich and intensify the debates and to give birth to new research questions.

Frédéric Lebaron

# **ECONOMISTS AS POLICY ENTREPRENEURS AND THE RISE OF NEO-LIBERAL IDEAS IN SWITZERLAND DURING THE 1990S**

By

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During the last decade, the Swiss economy underwent profound changes and had to face new socio-economic challenges unknown since the 1930s: a long period of economic stagnation characterised by the sharp increase of unemployment from below 1% in 1991 to more than 5% in 1994 and the uncertain relations with its economic international environment (the important debates over the future relations to the European Union). In this difficult economic context, several economists came to play a central role in the promotion of reforms of economic policies. From a marginalised position in economic policy advice, they largely inspired the economic revitalisation program launched by the government in the 1990s. This central role played by some economists represents an important innovation with regards to their traditional influence on economic policy making. How and why was it possible? This is the central question of this brief article. Thus, we won't systemically analyse the recent evolution of the academic field of economics (on this issue, see Baltensberger 2002); neither we will provide a detailed scrutiny of the political decision making processes which led to some economic policy reforms (see Sieber 1995 and Mach 1999).

The role of economists in economic policy advice and policy making has recently received larger attention by political scientists or sociologists (see for instance Jobert and Théret 1994; Singer 1993 on Germany, the UK and the USA; Blyth 2001 on Sweden; Dezalay and Garth 1998 on the IMF and the World Bank; on national traditions of economics, see also Lebaron 2000 and Fourcade-Gourinchas 2001). These authors generally highlighted the fact that the strengthening of economists' influence over economic policy making was often related to the neo-liberal and monetarist reorientation of economic policies during the last thirty years. In Switzerland too, the affirmation of economists was closely related to the resurgence of neo-liberal economic ideas. However, as the Swiss economy remained relatively unaffected by the economic crisis in the

1970s and 80s (no unemployment increase and low inflation), it is only at the beginning of the 1990s that large public debates actually started to take place.

The major purpose of this synthetic article is to highlight the dynamics and the process by which some economists have become influential actors in the inspiration of some important economic policy reforms. In order to better understand and to illustrate this change, we shall first come back to the statement issued by some economists during the end of the 1980s on the marginalisation and the loss of influence of economists on Swiss economic policies. This then led some economists to become real “policy entrepreneurs” during the 1990s. However, this new activism could only be efficient thanks to their collaboration and alliance with important business representatives. The emergence and affirmation of these economists was thus closely linked to the “neo-liberal offensive” by some business representatives of the largest Swiss multinationals during the first half of the 1990s, in which some economists played a crucial role. This offensive also led to the creation of the first neo-liberal think tank “Stiftung Zukunft Schweiz”. In addition, the economic expertise in the Department of economic affairs was profoundly reinforced and consolidated during the second half of the 1990s. Finally, we come back in the conclusion to more general considerations relative to the contribution of economists on the rise of neo-liberal ideas and economic policies.

### ***1. The marginalisation of Swiss economists from economic policy advice***

Before we come to the changing attitude of some influential economists, some general elements about traditional economic policy making in Switzerland should be briefly exposed. Swiss politics is characterised, especially concerning economic and social policies, by the central role played by the major economic interest groups. These associations are represented in numerous “expert committees” on every specific policy, which decisively contribute to the general orientation and content of economic and social policies in the pre-parliamentary phase of the political decision-making process. The parliament does not play a significant role in the definition of these policies. These “experts committees” are generally composed of representatives of the major business associations and trade unions, of the administration and some scientific experts, the decisive actors being the representatives of economic interest associations. These neo-corporatist characteristics of the Swiss political system and the strong influence of organised interests at every stage of the policy-making process led some observers to speak of a “militia administration”, emphasising thus the weakness of the central

administration<sup>1</sup>. Expertise, as well as the political feasibility of economic or social policy proposals, largely lies in the hands of the major economic associations, either business organisations or trade unions, whereas the role of independent expertise remained marginal.

Why did some economists become active entrepreneurs for economic policy reforms during the 1990s? Different reasons explain this changing attitude.

A first explanation was that during the end of the 1980 some economists felt they were being increasingly marginalised from public debates, from public expertise and from direct influence over the formulation of economic policies. In an article on economic policy advice and political action in 1988, Silvio Borner (1988), professor of economics at the University of Basel, complained about the disappearance of economists from the public debate and their retreat from important experts committees. Regarding this decline, he regretted that lawyers, and especially interest groups representatives, had become the most influential experts in Swiss economic policy. According to him, academic economists had largely been marginalised in the development of the welfare state, of competition policy or agricultural policy. In his conclusion, Silvio Borner clearly suggested that economists should reinvest the public debate and administrative expertise<sup>2</sup>. In this collective book in honour of Francesco Kneschaurek, former professor at the University of St. Gallen and actively involved in several experts committees for the government such as the Commission for Economic Policy (*Commission pour les questions conjoncturelles*), different contributions by other economists make a similar statement about the role and influence of economists. As we will see below, this will come to change during the 1990s.

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<sup>1</sup> Concerning macroeconomic policies, the independence of the Swiss central bank (SNB) since its creation and the federalist structure of the state have always prevented the central government to play an active role (through the coordination of monetary and fiscal policies) in the stabilisation of the economy, or to follow counter-cyclical Keynesian inspired macroeconomic policies. On the predominance of monetarist theory at the SNB since the 1970s, see Ettlín and Gaillard 2001.

<sup>2</sup> It is quite interesting to note that fifteen years later, Bernd Schips (2002) made a very similar analysis and also complained about the loss of influence of economists. As we will see below, this judgement clearly contradicts my analysis of what happened during the 1990s: "Praktisch jeden Tag trifft die Politik Entscheidungen mit - häufig sogar weitreichenden - direkten oder indirekten wirtschaftlichen Konsequenzen, ohne jedoch wissenschaftlich arbeitende Ökonomen - die man doch gemeinhin als die Speerspitze des wirtschaftswissenschaftlichen Sachverständes betrachtet - in die Entscheidungsvorbereitung und -findung wirklich einzubeziehen. Entweder werden diese Ökonomen gar nicht mehr gefragt oder ihre Meinung wird nur dann noch zur Kenntnis genommen, wenn damit die bereits vorab eingenommenen Positionen der politischen Entscheidungsträger und Interessensgruppen im Prinzip bestätigt werden können. Äussern sich die Ökonomen dann und wann einmal ungefragt zu (gesamt-)wirtschaftlichen Problemen, dann werden ihre Stellungnahmen nicht selten als mehr oder weniger weltfremd etikettiert und damit für die anstehenden Entscheidungen als irrelevant betrachtet." (Schips 2002: 1).

## ***2. The rise of economists during the 1990s: reinvesting the public debate, political alliance and institutionalisation of economic expertise in the administration***

In addition to the worsening of the economic situation that favours the recourse to new expertise, several dynamics explain the affirmation of economists during the 1990s. First, as pointed out above, there was a perception of increasing marginalisation and loss of influence of academic economists on economic policy making. Second, and this is perhaps the major element, some economists actively collaborated with several influential business representatives to promote neo-liberal economic policy reforms. This coalition was decisive to give a large audience to their proposals. Finally, in the second part of the 1990s, the economic expertise in the public administration, hitherto largely underdeveloped, was profoundly reinforced in the department of economic affairs.

### **2.1. Reinvesting the public debate and scientific expertise**

Whereas during the end of the 1980s some influential economists made the statement that economists' expertise should be reinforced, the beginning of the 1990s were characterised by the publication of several influential reports and analyses by these economists. Their publications served as a central source of inspiration for major economic policy reforms.

In this context, two figures played an important role in the emergence of economists as central actors in the public debate and in the formulation of economic policy reforms: Silvio Borner, professor at the University of Basel and director of the Wirtschaftswissenschaftliches Zentrum (WWZ), and Heinz Hauser, professor at the University of St. Gallen and co-director of the Swiss Institute for International Economics and Applied Economic Research (SIAW)<sup>3</sup>.

These two actors were at the forefront to promote economic policy reforms at the beginning of the 1990s. First, Silvio Borner, with two colleagues, Thomas Straubharr and Aymo Brunetti, both from the WWZ, published a very influential book in 1990: "Schweiz AG: Vom Sonderfall zum Sanierungsfall"<sup>4</sup>, in which they suggested various reforms concerning the liberalisation and deregulation of the Swiss domestic markets in order to restore the competitiveness of the Swiss

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<sup>3</sup> The Swiss scientific community is particularly fragmented and there is no national economics traditions, largely because of the multilingual character of the country (on this fragmentation, see Jost 1997). By limiting ourselves to these two economists, we clearly focus on two central figures among the scientific community. They are particularly illustrative of this changing attitude on the part of some economists. Others remained more reluctant to enter the public debate. Some were also particularly interested in analysing the impact and the role of economists in policy advice; see for example among well known economists: Kirchgässner 1998 and Frey 2000.

<sup>4</sup> "Switzerland Inc.: from "special case" to its necessary restructuring". This book was reedited three times and was largely quoted in administrative reports. In 1994, the same authors published a second book, with a similar content: Borner and al. 1994.

economy<sup>5</sup>. Largely inspired by Mancur Olson's work on the negative impact of interests groups on economic growth, the authors sharply criticised the role of special interests groups, contributing to rigidify economic structures and prevent economic dynamism and innovation. One can see a clear coherence between Borner's article of 1988, quoted above, and the publication of these two books, destined to a large audience and which actively promoted neo-liberal economic reforms.

On behalf of the central government, Professor Heinz Hauser was responsible for a vast research project on the economic consequences of the different European scenarios (Alleingang, participation to the European Economic Area or adhesion to the European Union, see Hauser and Bradke 1992 and Hauser 1993). This report received a large audience in the media and among the official authorities. This synthetic report went in the same direction as Borner's recommendations concerning the necessity to liberalise domestic markets and privatise national public utilities. Thus, both publications emphasised the declining competitiveness of the Swiss economy and the necessity to implement liberal economic policy reforms.

These two publications had a large resonance in the media and among the public authorities, and served as a central inspiration for the formulation of several economic policy reforms. They were frequently quoted in several official administrative reports. Following these publications, Borner and Hauser were both involved in the informal commission to trace the future orientation of Swiss economic policies (see below).

Besides these publications, it is interesting to note that both institutes, the WWZ and the SIAW, share quite similar organisational features, such as close links with the business community, which finance different research projects<sup>6</sup>. Both are very active in public and private mandates and they both have a similar "Förderverein" (promotion society) as well as sponsoring institutions, largely composed of business representatives. They thus actively collaborate with business actors to finance their research and to define their research projects.

These publications at the beginning of the 1990s, an active presence in the public debate as well as the dynamism of these two institutes in terms of public and private expertise, are illustrative of the new entrepreneurial activism on the part of some important economists belonging to the academic field. However, the "political efficiency" of their policy proposals was only possible

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<sup>5</sup> Their proposals concerned the necessity to actively promote competition on the domestic markets, through the reinforcement of competition policy, the reform of the agricultural policy, the liberalisation and privatisation of former public monopolies, and so forth.

<sup>6</sup> On the WWZ, see Gabathuler 1996 and the special issue of the *Basler Zeitung* 19.9.1998 for the 10 years of existence of the WWZ; on the University of St. Gallen, see E. Eckert, «L'Uni de Saint-Gall prend le pouvoir», *L'Hebdo*, 18.1.1996;



thanks to the large support that they received from very influential business actors. The strengthening of the position of these economists is thus also linked to the rise of neo-liberal demands from some important business representatives.

## **2.2. Convergence and alliance with some business representatives: the “neo-liberal coalition”**

Parallel to these scientific publications, an informal group of business representatives of the largest Swiss companies, in collaboration with economists of the University of St. Gallen, published several documents to promote neo-liberal reforms in Switzerland at the beginning of the 1990s. These publications shaped the agenda of economic policy-making during the 1990s (see below the chronology of these publications, with their authors).

The first of these documents was a program “for a more liberal order” published by an informal group of industrialists, representatives of the financial sector and economists of the University of St. Gallen, among others H. Hauser, under the aegis of the “Max Schmidheiny Foundation” at the University of St. Gallen, dedicated to the “promotion of freedom” (Leutwiler et al. 1991). The initiative for these publications came from Fritz Leutwiler, former president of the Swiss central bank and then CEO of ABB, and from Stephan Schmidheiny, an important industrialist<sup>7</sup>. The authors claimed that, in order to preserve the competitiveness of the Swiss economy, some radical changes were needed, such as liberalising domestic markets, privatising the major public utilities, and reducing fiscal pressures. Illustrative of the neo-liberal orientation of this program are the quotations, at the beginning of the book, of Walter Eucken, Friedrich Von Hayek and James Buchanan, three neo-liberal economists (see also Schächli 1992, Udry and Marquis 1996 and Burkhalter and al. 1999)<sup>8</sup>. This publication became known as the first “White paper”. A second followed in 1995.

This initiative was unprecedented because it did not originate with one of the traditional powerful business associations, but was instead the product of an informal group of fifteen to twenty representatives of Switzerland’s largest companies along with several economists<sup>9</sup>. These

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<sup>7</sup> On the formation of this informal group, see S. Enderlin, “Les néo-libéraux montent au front”, *L’Hebdo* 4.7.91 and S. Barmettler et K. Brandenberger, “Fritz Leutwiler und die Verschwörung der Kapitäne (Interview of F. Leutwiler)”, *Die Weltwoche*, 4.6.92.

<sup>8</sup> Among the co-signatories, one also finds some members of the Mont Pèlerin Society, founded in Switzerland under the initiative of F. Von Hayek just after World War II. G. Schwarz, responsible for the economic section of the *Neue Zürcher Zeitung* (NZZ), as well as his predecessor Willy Linder, are both part of the MPS. G. Schwarz is the treasurer of the Mont-Pèlerin Society; see G. Schwarz “Jede Generation muss sich ihre Freiheit verdienen. Mont-Pèlerin – 50 Jahre danach”, in *NZZ* 3.5.1995. The economic section of the NZZ has always had close links with the Mont-Pèlerin Society.

<sup>9</sup> It is also interesting to note the international connections among the co-authors, such as Helmut Maucher, former CEO of Nestlé and former president, for more than ten years, of the European Round Table of Industrialists (ERT),

leaders of the business community no longer felt adequately represented by the official business associations, which in their view were too inclined to negotiate and make compromises with other political actors. Also novel was the heavy criticism expressed towards several economic policies once widely accepted, such as agricultural policy, foreign workers policy, and competition policy, all of which benefited specific sectors while imposing costs on the national economy as a whole. Increasingly, export-oriented business argued Switzerland's competitiveness was endangered by regulations and non-competitive arrangements making Swiss products and services too expensive. In a rapidly internationalising economy, the cost of maintaining these arrangements was becoming unbearable.

After the publication of the first "White paper", the Swiss government appointed a special commission, only composed of business representatives and two economists (Silvio Borner and Heinz Hauser), but without any trade unions representatives. This commission was presided by David de Pury, a former high-ranking civil servant then working as co-managing director of ABB, and co-author of the second "White paper". The Commission's report (de Pury 1992) advocated the adoption of measures such as allowing female workers to work at night, prohibiting cartels, introducing a VAT to replace part of the federal direct tax, reducing the corporate income tax, and privatising the major public utilities.

#### **Chronology of the major publications of the "neo-liberal coalition":**

**June 1991:** Fritz Leutwiler, Stephan Schmidheiny et al. *La politique économique de la Suisse face à la concurrence internationale. Programme pour un ordre plus libéral*. Zürich: Orell Füssli.

#### **Co-signatories:**

Economists and others: Ernst Baltensperger (Prof. Bern), Paolo Bernasconi (Lecturer St. Gallen), Heinz Hauser (Prof. St. Gallen), Willy Linder (former chief editorialist of the economic part of the NZZ), Peter Moser (Prof. St. Gallen), Dietrich Schindler (Prof. Zurich); Wolfgang Schürer (Lecturer St. Gallen), Gerhard Schwarz (chief editorialist of the economic part of the NZZ), Klaus Vallender (Prof. St. Gallen).

Business representatives: Fritz Leutwiler, Stephan Schmidheiny, Nicolas Hayek, Robert Holzach, Bruno de Kalbermatten, Alex Krauer, Hans Letsch, Helmut Maucher.

This program is compelled by a scientific analysis by Peter Moser (1991). *Schweizerische Wirtschaftspolitik im internationalen Wettbewerb. Eine ordnungspolitische Analyse*. Zürich: Orell Füssli.

**January 1992:** David de Pury et al.: *Rapport final du Groupe de travail informel «Ordnungspolitik»*. Berne: DFEP (Département fédéral de l'économie publique).

**Co-signatories:**

Economists: Silvio Borner (Prof. Basel, director of the WWZ), Heinz Hauser (Prof. St. Gallen, co-director of the SIAW)

Business representatives: David de Pury, Philippe Jaccard, Angelo Pozzi, Thomas Schmidheiny, Niklaus Senn.

**December 1995:** David de Pury, Heinz Hauser, Beat Schmid et al.. *Ayons le courage d'un nouveau départ. Un programme pour la relance de la politique économique de la Suisse*. Zürich: Orell Füssli.

**Co-signatories:**

Economists and others: Heinz Hauser, Beat Schmid (Prof. St. Gallen), Arthur Dunkel (former secretary general of the GATT), Alfred Meier (Prof. St. Gallen), Jakob Nüesch (Former president of the Polytechnical School Zurich), Wolfgang Schürer (Lecturer St. Gallen), Gerhard Schwarz, Klaus Vallender

Business representatives: David de Pury, Joseph Ackermann, Georges Blum, Ulrich Bremi, Kaspar Cassani, Alex Krauer, Fritz Leutwiler, Helmut Maucher, Stephan Schmidheiny, Thomas Schmidheiny, Robert Studer.

**September 1998:** Proposition by Mario Corti, financial director of Nestlé<sup>10</sup> to set up a Think Tank («marktwirtschaftliche Denkfabrik für die Schweiz»). This new think tank will be financed by the largest Swiss multinationals with an annual budget of around 6 millions Swiss francs.

Creation of the «Stiftung Zukunft Schweiz» (end 1999), with a directory committee composed by: Ulrich Bremi (Swiss de Re), Fritz Gerber (Roche), Alex Krauer (UBS) et Pierre Mirabaud (Geneva Private bankers).

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<sup>10</sup> “Die Rückbesinnung auf die eigentlichen Staatsziele. Skizze einer marktwirtschaftlichen Denkfabrik für die Schweiz”, *NZZ*, 30/31.1.1999.

Thus, several economists from St. Gallen and Silvio Borner actively contributed to the formulation of these different publications and participated in different informal groups to promote neo-liberal reforms. This constellation of representatives of Swiss multinationals, academic economists as well as some representatives of the press, especially of the economic section of the NZZ, represented a new “neo-liberal coalition” calling into question some political-economic arrangements which prevailed during the post-war period. In some ways, these actors came to challenge the traditional representatives of the business associations, considered as being inclined to find unsatisfactory compromises, and as representing special interests. Under the pressure of this “neo-liberal coalition”, the business associations sharpened their discourse during the 1990s (see for example, USCI 1992 and Letsch 1992: 165 ff.).

Even though Borner and Hauser are not representative of the whole scientific community, it should be noted that during the last decades, the academic field has come to be largely dominated by neo-liberal thinking among Swiss economists<sup>11</sup>. This does not mean that debates and polemics among economists have been absent. On the contrary, divergences were quite frequent on various issues such as participation in the European Economic Area, the economic impact of direct democracy<sup>12</sup>, the opportunity of macroeconomic stabilisation programs<sup>13</sup>, or in the Commission for Economic Policy, composed of different academic economists and experts from the major business associations and trade unions (see below).

In the second half of the 1990s, partially because they complained that the degree of implementation of their proposals by the political authorities was not sufficient, the same business representatives decided to support financially the creation of a new neo-liberal think tank, the first in Switzerland. As a complementary organisation to traditional business associations, the main task of this new think tank was to promote liberal ideas among Swiss

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<sup>11</sup> On the predominance of neo-liberal economists in Switzerland, see S. Bertolami, “Was Wirtschaftspolitik ist, denken Professoren aus. Das Weissbuch ist das Fazit eines Trends: Während 15 Jahren haben die «Neoliberalen» fast alle Lehrstühle erobert”, *Die Weltwoche*, 4.1.1996.

<sup>12</sup> On the different European scenarios, S. Borner et H. Hauser had divergent positions, the former largely in favour of joining the European Economic Area Treaty (rejected in a popular referendum in 1992) and the latter much more skeptical on this issue. These divergences were largely debated in the press. On the economic impact of direct democracy, Borner et al. are much more critical, whereas economists of the SIAW, notably Gerhard Kirchgässner, come to the conclusion that the more direct democracy is developed the more general welfare is important.

<sup>13</sup> At the end 1996, under the initiative of Jean-Christian Lambelet, Professor at the University of Lausanne, a certain number of economists asked in a Manifesto for a counter-cyclical governmental program to combat recession (Lambelet et al. 1997). Silvio Borner and other economists were actively opposed to these proposals; see “Institutionelle Reformen statt Nachfragehydraulik. Entwurf einer Therapie für die Schweizer Wirtschaft” *NZZ* 22.3.1997).

citizens, notably in collaboration with economists (see Advisory council of the foundation)<sup>14</sup>. Finally, this rise of neo-liberal ideas was also institutionalised in the public administration.

### **2.3. Institutionalisation of economic expertise in the Department of economic affairs**

In the second half of the 1990s, and in a clear continuity to the changes exposed above, the economic expertise was largely reinforced in the Department of economic affairs under the auspices of some of the same major actors. A central conclusion among the “neo-liberal coalition” for the weak concretisation of their proposals in 1991 and 1995 was that it had become necessary to reinforce economic expertise in the public administration, much closer to the political decision-making process, in order to implement neo-liberal reforms more efficiently.

In 1998, with the election of a new minister of economic affairs from the free-democratic party, much closer to business interests than his predecessor, the department was profoundly reorganised with the creation of a new State Secretariat for economic affairs (SECO), resulting from the mergers of different administrative offices and the suppression of some others, such as the Office for Economic Policy (*Office des questions conjoncturelles*). Among these changes, an important innovation was the creation of a new administrative unit for “wirtschaftspolitische Analysen”, composed of around 40 employees, mainly economists. Traditionally, economic expertise in the public administration of the central state has remained largely underdeveloped, except perhaps within the Swiss central bank. With the creation of this new unit, the internal resources for economic expertise have been considerably enlarged<sup>15</sup>. The unit defines itself as a “think tank on economic policy” for the department. Numerous external expertises were also ordered outside the department in different academic institutes. These reorganisations were combined with the hiring of new economists in the leading administrative positions<sup>16</sup>.

Thus, for example, the new chief of this unit on economic expertise is Aymo Brunetti, former young professor and collaborator of Silvio Borner at the WWZ in Basel, and co-author of the book “Schweiz AG: Vom Sonderfall zum Sanierungsfall” in 1990. At the same time, the new minister hired another economist from Basel, Eric Scheidegger, as a special adviser for economic affairs. The latter did his PhD with Silvio Borner in 1992, and then became collaborator of a business association and journalist at the *Neue Zürcher Zeitung*. Both became influential actors

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<sup>14</sup> For two representative position, see Thomas Held (director of the think tank) “Das Schweizer Kernproblem” in *Tages Anzeiger* 9.12.2000 and “Es droht die anti-liberale Diktatur” in *Berner Zeitung* 8.2.2002. See also G. Schwarz “Halb Wissenschaft, halb Kommunikation. Thomas Held über die Stiftung Zukunft Schweiz”, *NZZ*, 4.12.2000.

<sup>15</sup> In the department of finance, a similar change took place with the creation of an economists’ unit.

<sup>16</sup> It was under the responsibility of Barbara Rigassi, PhD in economics from the University of St. Gallen in 1989, that the reorganisations took place. She was member of the free democratic party as well as the personal adviser of the previous Minister of economic affairs, and worked in the second largest Swiss bank as personal assistant to its CEO. She then came back to the public administration for the reorganisation of the Department.

in the economic department in the analysis of economic evolution and in the formulation of economic policy reforms, and gave new impulses in the department. Hence, they contributed to the drafting of a new prospective program for liberal economic policy. The preparation of this document gave rise to several divergences within the Commission for Economic Policy between, on one hand, a minority of members, these being the representatives of the trade unions and some economists as well as the representatives of the business associations, and the majority of the economists belonging to the Committee on the other<sup>17</sup>.

### ***3. Conclusions: The contribution of economists to the rise of neo-liberalism***

Despite very different national contexts, it is striking to see that, during the last thirty years, the progressive shift from a Keynesian interventionist paradigm to a neo-liberal and monetarist credo in economic policies has been characterised by the transformation of economic policy advice and the rise of new actors, from the academic field or more directly from the political or administrative spheres. The struggle for imposing new liberal economic policy took place in various spheres of society, in the academic field, the media and in the political and administrative fields. In each country, the rise of neo-liberal ideas followed different logics, depending on national political, institutional and economic characteristics (see for example: Jobert and Théret 1994 for France; Singer 1993 on the UK, US and Germany; Blyth 2001 on Sweden).

In the Swiss case, where large public debates on economic policy issues only seriously started at the beginning of the 1990s, we could observe that some economists, from a self-perceived situation of marginalisation from public debate and economic policy advice, have come to play a central role in the rise of neo-liberal ideas in the country as well as to shape the political debate around these issues. However, one can not understand the affirmation of these economists during the 1990s without taking into account the general economic context (economic stagnation, rise of unemployment) and the political and economic actors which helped to support the diffusion and the promotion of their ideas. They were clearly part of an “advocacy coalition”, composed of actors stemming from different social fields, such as the academic field, the business community, the media and also the public administration. These relations to other spheres of society show the permeability between scientific, business and political-administrative fields, and this represents

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<sup>17</sup> See Commission pour les questions conjoncturelles (1999). *Concept de politique économique libérale: une ligne directrice pour le long terme*. Berne: DFE; and Department of economic affairs (1999). *Lignes directrices pour une politique économique axée sur la croissance. Orientations fixées par le DFE pour les années 1999-2003*. Berne: DFE. On the divergences between the economists of this Commission and how some special reports have not been taken into account, see “Was nicht passt, wird zugepflastert. Im “wirtschaftspolitischen Konzept” wurden die Expertenkenntnisse verdreht und unterschlagen”, *Cash* 16.7.1999.

an enduring characteristic of the Swiss case (Jost 1997). By becoming active policy entrepreneurs, these economists played a major role in the formulation of neo-liberal reform proposals and served as a scientific background for the program of the representatives of the largest Swiss multinationals. However, the large resonance and impact of their propositions was possible only thanks to their coalition including other actors from the business sector, and subsequently through the institutionalisation of their influence in the department of economic affairs.

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BRITISH 'AGENCIES OF ENLIGHTENMENT'?  
SOME REMARKS ON THE RECENT HISTORIOGRAPHY OF ECONOMIC  
THOUGHT AND POLICY

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There is a traditional difficulty in the way economists and historians have understood the place of Britain in modern European and world history. Whereas British economy is (or was) often considered the paradigm of all modern economic histories, by contrast historians have generally stressed the *peculiarities* of its policy and culture.<sup>18</sup> The question of how exactly to understand the influence of economists and economic science on policy raises difficulties not only for economic, but also for political and intellectual historians, and particularly to those interested in the sociology and history of economics. Although it is still unclear whether the role of British economists on policy should be considered paradigmatic or peculiar, it should at least be noted that this question has a long history as far as Britain is concerned. It is an old question, about as old as political economy itself, and it is a question that has sustained continuous interest since Adam Smith: in 1881, at a time when the whig interpretation of history left only few wonders about the link between political and economic progress, *The Times* referred to 'economists, [...]and similar *agencies of enlightenment*'.<sup>19</sup>

There has been a marked shift, in the last twenty years or so, in the way British historians understand the nature of this 'agency' and its supposed link to 'enlightenment'. A particularly successful model available in the 1960s and after to understand the relations between thought and policy in Britain came from American sociology, which was itself influenced by continental, mainly German, thinking on the way sociological factors shape the production and diffusion of ideas. A.W. Coats's groundbreaking work bears testimony to this complex influence. His program is summarized by the title of his collected essays, 'The Sociology and

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<sup>18</sup> There is a large literature on this topic. See particularly P. Anderson, 'Origins of the Present Crisis', reprinted in his *English Questions*, London: Verso, 1992 and E.P. Thompson, 'The Peculiarities of the English', reprinted in his *The Poverty of Theory*, London: Merlin Press 1978.

<sup>19</sup> Quoted in A. W. Coats, 'The Challenge to Free Trade: Fair Trade and Tariff Reform 1881-1914' in *On the History of Economic Thought*, pp. 268-83; my emphasis.

Professionalization of Economics'.<sup>20</sup> It is on the one hand a sociology of economic knowledge, and it is also, on the other hand, a study of the rise and recognition of professional authority within the community of economists, the political arena, and finally the public at large.

Coats's sociology of economic *knowledge* is such that, while distancing itself from any form of relativism or any 'imperialist takeover by presumptuous predatory sociologists',<sup>21</sup> it turns out to be a sociology of economics *profession* as well through the claim that economists 'cling to the ideal of scientific autonomy while at the same time seizing the available opportunities to participate in public policy discussion and decision making'.<sup>22</sup> Coats's case study of the 1903 tariff reform controversy illustrates his method. In Coats's view the 'Fourteen Professors' Manifesto', published in the *Times* in May 1903 against Joseph Chamberlain's tariff reform proposals, set off a chain reaction typical of the professionalization process. As other professors reacted to the Manifesto in the *Times*, and politicians such as Arthur Balfour warned against the dangers of partisan drifts, the controversy spread not only within, but also without the economics community. The public debate on free trade gained more self-reflexivity as it became linked to the question of where to draw the line between scientific and moral authority, while at the same time gaining more 'professionalism' in the handling of economic data. Professionalization can be described as a two-sided concept linking together the history of economics and economic history. As an 'agency of enlightenment' it consists in a virtuous circle in which competition for authority *within* the field improves economic debates *without*.

In spite of Coats's example, however, the sociological interpretation of economic thought and policy has been relatively neglected. In several important studies, British economic historians have rallied historians of political thought such as J.G.A. Pocock, Quentin Skinner and other writers associated with the 'Cambridge School'. They have stressed the importance of normative languages and explained how economic concepts can be incorporated in a broader political culture. What has variously been termed 'history of political languages', 'contextualism', or more simply 'intellectual history', insofar as it has been applied to economic thought and its influence on economic policy, can be described as a qualification of or even a reaction against the sociological approach to ideas and agency of which Coats's study of the 1903 controversy is a typical example. Here the emphasis is on language and culture rather than science and expertise. The 'agency' in question is one of construction of political meaning rather than 'enlightenment'.

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<sup>20</sup> A.W. Coats, *The Sociology and Professionalization of Economics. British and American Economic Essays*, Volume II, Routledge: London and New York, 1993.

<sup>21</sup> A.W. Coats, *The Sociology...*, op. cit., p18.

The case of Donald Winch, who has been a prominent historian of economics and of its role on policy for nearly four decades, illustrates well this historiographical evolution. After studying the role of classical political economy on government policy in the colonies, and then the penetration of Keynesian arguments on British and American Governments, he finally opted for a different approach. By the end of the 1970s Winch had started to be more interested in the historicization of economic ideas, putting Smithian arguments in the context of the languages of 'civic humanism' and 'natural jurisprudence' as defined by John Pocock and other historians of political thought.<sup>23</sup> Although his work on *Economics and Policy* of 1969, for example, was not explicitly sociological, it was perfectly compatible with Coats's view of the process of professionalization and of the growing interaction between economics and policy. By contrast, his later work on the late eighteenth and early nineteenth centuries, instead of discussing the influence of economic arguments on policy-making establishments, locates economic thought within a larger political and philosophical framework.

In marked contrast to the sociology of economics profession, which was never really influential outside the economists' community, this new approach to the history of economics has been notably popular among political historians. Starting from a rather conventional study of early nineteenth-century Tory governments, Boyd Hilton discovered the underestimated importance of evangelical social thought as a mediating agency between classical economists such as Smith or Ricardo and those nineteenth-century politicians who, for example, decided to put the scientific principles of political economy into practice with the 'New Poor Law' of 1834.<sup>24</sup> In Hilton's view the important question was not so much to trace the 'diffusion' of economic ideas as in some sort of centre/periphery model but to investigate the incorporation of notions of free trade and competition within the culture of the provincial middle class and Tory élite. His demonstration was based on a hitherto classic distinction between two notions of Free Trade:

*There were ... two discrete, if sometimes overlapping, models of Free Trade in the first half of the nineteenth century. The more familiar is that of the professional economists like Ricardo; the more widespread and probably more influential was that of*

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<sup>22</sup> *ibid.*, p24.

<sup>23</sup> Donald Winch, *Economics and Policy: A Historical Study*, London: Hodder & Stoughton, 1969; Adam Smith's *Politics: An Essay in Historiographic Revision*, Cambridge: Cambridge University Press, 1978. I. Hont and M. Ignatieff (eds), *Wealth and Virtue: The Shaping of Political Economy in the Scottish Enlightenment*, Cambridge: Cambridge University Press, 1983 is a systematic attempt to apply the method of the 'Cambridge School' to Adam Smith's political economy.

*evangelicals like Chalmers. The former was expansionist, industrialist, competitive, and cosmopolitan. (...) The alternative, evangelical, version of Free Trade may be characterized as static (or cyclical), nationalist, retributive, and purgative, employing competition as a means to education rather than to growth.*<sup>25</sup>

It is the latter, not the former, model that can help explain how economic theory shaped policy around the time of the New Poor Law. With his 'evangelical version of Free Trade' Hilton severed the study of early nineteenth-century economists (who are somewhat improperly referred to as 'professional economists') from the study of interactions between economic science and policy. Although he speaks of 'influential' economic ideas his suggestion is that this influence is really a function of how these ideas are interpreted and incorporated into an encompassing political culture.<sup>26</sup>

Such scholarly research, however, provides no sufficient proof that the 'professionalization model' as expounded by Coats is not still valid for at least part of the twentieth century. One possible answer to this objection is to consider a much longer period of time. Addressing the issues of the relationship between ideas and action and the changes in the politics of taxation between 1799 and 1914, Martin Daunton devotes only a few pages to the topic of professional economists. Instead, he concentrates on the 'language of taxation', which he sees as 'central to defining relationships between citizens and state, and to discursive construction of identities.'<sup>27</sup> Changing taxation policies are the spectacles through which Daunton examines the entire British political culture, and particularly the ways in which it was possible to 'trust Leviathan' in a country traditionally self-defined as liberal. This move away from sociology of knowledge and profession is justified at the beginning of his section on 'Economists and taxation':

*The language of economics could provide post hoc justification and authority. Above all, the debates over taxation referred to economists, using their language and concepts*

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<sup>24</sup> Compare Boyd Hilton, *Corn, cash, commerce : the economic policies of the Tory government, 1815-1830*, Oxford : Oxford University Press, 1980 ; *The age of atonement : the influence of evangelicalism on social and economic thought, 1795-1865*, Oxford : Clarendon, 1988.

<sup>25</sup> Hilton, *The Age...*, op. cit., p.69.

<sup>26</sup> As more recent research suggests, Hilton's notion of Free Trade 'culture' is a powerful tool that can be adapted and used by historians of the later period. Frank Trentmann has shown how local business communities helped shape a new culture of free trade in the late nineteenth century as classical political economy was replaced by 'economics' and the influence of evangelicalism started to wane. Frank Trentmann, 'The Strange Death of Free Trade: The Erosion of 'Liberal Consensus' in Great Britain, c. 1903-1932', in Biagini (ed.), *Citizenship and Community: Liberals, Radicals and Collective Identities in the British Isles, 1865-1931*, Cambridge: Cambridge University Press, 1996 ; 'The Transformation of Fiscal Reform: Reciprocity, Modernization, and the Fiscal Debate within the Business Community in Early Twentieth-Century Britain', *Historical Journal* 39 (1996) ; 'Political Culture and Political Economy: Interest, Ideology and Free Trade', *Review of International Political Economy* 5 (1998).

<sup>27</sup> M. Daunton, *Trusting Leviathan. The Politics of Taxation in Britain, 1799-1914*, Cambridge: Cambridge University Press, 2001.

*while often failing to grasp the logic of their argument, and frequently reworking the terms. The issue, therefore, is how the ideas of political economy enter into a more general political culture.*<sup>28</sup>

Daunton gives the example of Edgeworth's 'pure theory' of taxation of 1897, the influence of which 'was less in initiating change in fiscal policy than in removing the intellectual authority of the opponents of [progressive income tax]'.<sup>29</sup>

Whether Daunton's views on the subject are tenable as far as the twentieth century is concerned will remain an open question until the second volume is published. The 'Keynesian revolution' and the figure of John Maynard Keynes himself seem to encapsulate the whole range of questions asked by the sociology of economic thought and profession. After all, Keynes's inseparably theoretical and practical response to the Gold Standard and the Great Depression, his ability to go back and forth between academic and political circles, his influence as a polemicist, and above all his own self-reflexive thinking on the relationship between abstract thought and practical action, all these factors are undoubtedly part of the reason why historians believe there is a connection to explore between the economics profession and economic policy. In his 1984 article Coats, after complaining of the lack of serious research on Keynes' *General Theory*, concluded:

*If, as seems clear, there has been no comprehensive and systematic investigation of the historical and sociological, as well as the intellectual context of the most important single economics book published in this century, the case for the sociology of economic science requires no further support.*

This was just one year after the publication of Skidelsky's first volume of his biography of John Maynard Keynes. As was already clear at the time, Skidelsky did not follow the precepts of the sociology of economics. First, he had chosen the biographical genre in order to reconstruct the context of the *General Theory*, and second, he privileged the reconstruction of Keynes's philosophy and politics over the sociological conditions for the realisation of his incredible career and achievements.

What led Keynes to become one of the most influential economists of the inter-war years, in Skidelsky's view, is an idiosyncratic combination of Cambridge ingredients including Moorian ethics, Marshallian economics, and Keynes's own philosophy of probabilities, more personal ingredients including phenomenal persuasive powers and an ability to use his networks and

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<sup>28</sup> M. Daunton, *ibid.* p.138.

friends and finally, of course, the influence of contemporary events. Skidelsky arranges them into a rather unsociological recipe in which agency is explained both by personality and political philosophy. Central to his narrative is the analysis of Keynes's rejection of the evangelical or post-evangelical philosophy of time and ethics as described in Hilton and still present in the thought of Marshall or, later, of Robertson. Skidelsky's view of 'agency' is summarized in the way he characterizes the differences between Keynes and Robertson: '... in the end personality differences pulled their economics apart. [...] The sacrificial nature of Victorian economics -- 'Jam yesterday, jam tomorrow, but never jam today' -- was alien to Keynes's spirit [...]. For Robertson the struggle for a better tomorrow... was at the heart of the moral, as well as the economic, battle.'

Coats's sociology of economics was premised on the assumption that Keynes and Keynesianism were the terminus from which to consider the professionalization of economics. But studies of economic thought prior to the 1903 controversy seem to suggest that the professionalization paradigm is not always compatible with the exigencies of historical research. With Skidelsky the reaction to the sociological challenge, initiated by historians of the Scottish Enlightenment and of nineteenth-century England, seems to be complete: Keynes himself is considered from the point of view of intellectual history and political thought.

One way to explain the relative failure of Coats's program is to point out that it is in fact the influence of sociology altogether has been weak as far as Britain is concerned. In 1968 Perry Anderson claimed that the absence of a strong sociological tradition was the cause of a series of 'structural distortions' in the character of disciplines in Britain, including a political theory 'cut off from history', a history 'divorced from the exploration of political ideas', and an economic science 'dissociated from both political theory and history'.<sup>30</sup> It looks as if British scholars have found a remedy to these 'structural distortions' without having to sociologize the study of economic thought. Instead of seeing the history of all economic policy as the history of social and economic struggles, they have stressed, as ever, the importance of economic conversations and battles of ideas.<sup>31</sup> But another, more optimistic explanation, is that the sort of economic sociology advocated by Coats has become obsolete and that the history of political languages, together with the history of how economic ideas are assimilated and interpreted by key social groups -- such as political establishments and business communities --, leaves no room to the old

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<sup>29</sup> M. Daunt, *ibid.* p.145.

<sup>30</sup> Perry Anderson, 'Components of the National Culture' in *English Questions*, London: Verso, 1992, p. 103.

distinction between political and social history.<sup>32</sup> But, whatever explanation is privileged, the result is the same: as far as Britain is concerned, sociology is no longer a source of inspiration for historians of economic thought, economists, and similar 'agencies of enlightenment'.

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<sup>31</sup> On the nineteenth-century origins of this socio-economic reading of history see G. Stedman Jones's 'Introduction' to Karl Marx and Friedrich Engels, *The Communist Manifesto*, London: Penguin, 2002.

<sup>32</sup> See Gareth Stedman Jones, 'Une autre histoire sociale? (note critique)', *Annales HSS*, mars-avril 1998, n°2, pp. 383-394, particularly p.388-9.



## BOOK REVIEWS

**Dezalay, Yves and Bryant G. Garth : The Internationalization of Palace Wars. Lawyers, Economists and the Contest to Transform Latin American States. Chicago: Chicago University Press. 2002.**

What major factors shaped the transition from the populist to the neo-liberal states in Latin America? How has state power been reproduced and transformed in post-World War II Latin America? How has the relationship between social and state elites evolved in the region during the last decades? What are the limits of these transformations? The book under review takes an innovative, comparative and multidimensional approach to these fascinating issues. It looks simultaneously at global influences, originating in the internationalization of inter-elite tensions taking place in the “north” (i.e in the US), and their relation to changes in the field of power in the “south.” As a point of entry the authors analyze the expansion of three fields closely related to the state and power: law and legal expertise, economics, and human rights; focusing on the process of export and import of specific areas of knowledge and on the elites associated to them.

Four countries: Argentina, Chile, Brazil and Mexico form the bases of the book’s comparative analysis, exemplifying different paths of transition from developmentalism to neo-liberalism. These different paths were determined by the relationship historically established in each country between social elites and the evolving state. The comparative approach, nonetheless, allow the authors to find and analyze certain important regularities and patterns in the processes discussed that a more in-depth study of a single case would have missed. The comparison, thus, constitutes one of the strengths of the book.

However, the comparative analysis also involves some risks. There is an inevitable trade-off between coverage and precision and this volume suffers from lack of the latter. The chronology is sometimes confusing; in many cases it is not clear what period the authors are referring to. Moreover, while the book abounds in unsupported generalizations, certain historical developments are oversimplified, as can be seen, for instance, in the discussion on Argentina. The authors claim that, due to the perennial political instability of the country, the social and intellectual elites had little incentive to invest in state and institution building. A case in point is, in the view of Dezalay and Grath, the trajectory of Raúl Prebisch, whose international reputation was gained abroad. It is true that Argentina has suffered political instability since 1930 and this instability has, without doubts, influenced the behavior of the social elite. However –and this is an example of the confusing chronology I mentioned above-, up until 1930 Argentina had been

the country that enjoyed the longest period of political stability in Latin America. Prebisch, on the other hand, dedicated his early career to state and institution building. Not only was he one of the founders and the first manager of the Central Bank, but he also promoted academic reforms at the school of Economics, and created the Office of Economic Research at the National Bank from where he launched an important journal that disseminated crucial social and economic statistical information. The list could continue. It was also him who, beginning with the late 1920s gathered a group of technicians known as the “brain trust” who perceived themselves, and were perceived by others, as personnel available to work for the state regardless of the government in place. Some of these technicians occupied official positions on and off until the 1970s.

The authors’ characterization of the field of economics in Argentina during the 1960s is also imprecise. Dezelay and Grath focus on the Di Tella Institute, a think tank created by an influential industrial family in the late 1950s. According to the authors, the Di Tella, along with other similar institutions created later, belonged to a long tradition of think tanks that operated in the country independent of the state. The relationship between the Di Tella (and other think tanks) and the Argentine state, however, was (and is still now) multifaceted. After the military coup of 1966 (but even before) the Center of Economic Research of the Di Tella, provided most of the staff for the national Ministry of Economics from the Minister himself down to area directors while, at the same time, the military regime censored art exhibits at the art center of the Di Tella. Some members of the Institute served in senior official positions both under military and democratic regimes. The Di Tella was also a major contractor for state social and economic research projects. Thus, as this case shows, the link between state and professional elites in Argentina has been more complex than what the authors claim. Similar problems of precision and accuracy can be found in the authors’ discussion of the other countries.

However, what is really unjustifiable about this book is the total carelessness of the edition. The text abounds in unnecessary French terms, and the syntax is awkward at best. The large number of spelling errors, particularly of names of people and institutions, which, for instance, turns Augusto Pinochet into *Augustus* Pinochet, Alfredo Yabrán into Alfredo *Yabron*, Di Tella into *di* Tella, Aníbal Pinto into *Aníbel* Pinto, Bolívar Lamounier into *Boliver* Lamounier, and Wenceslao Bunge into *Wenceslau* Bunge, can have no explanation. And this list is far from complete. In the same page one particular person’s name is spelled *Boeninger* and *Boeinger* (see pg. 151). One could reasonably expect a much better job from such a publisher as Chicago University Press.

In spite of these shortcomings, The Internationalization provides a much needed fresh approach to an important topic and poses some really exciting theoretical questions which contribute to our understanding of the evolution of the state, of its relations to elites in Latin America, and of the changing international intellectual environment in the context of globalization.

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**Isabelle Huault (ed.). *La construction sociale de l'entreprise. Autour des travaux de Mark Granovetter*. Colombelles : Editions Management & société (EMS). 2002.**

Who is interested in economic sociology within academic field? Not only sociologists and economists, a recent colloquium in France has shown, but also management scientists. This colloquium, settled in October 2001 at the Paris-XII university by the *Institut de recherche en gestion*, has revealed the interest this discipline can find in the concepts and methods of the new economic sociology through Granovetter's programme about embeddedness. It has also shown how it can provide analyses in its turn. These analyses are now available in a book edited by Isabelle Huault. Not all the contributions are from management scientists but we can really see with this book in which directions their discipline is to follow the path paved by Granovetter and more generally social networks analysis.

In his preface Mark Granovetter points out two main issues remaining to be explored in depth but dealt with by the various papers: at the micro level, how to account for the simultaneous action of rational and non rational – or impersonal and personal, instrumental and affective – dimensions; and at the macro level, how social networks help to understand the way economic institutions are articulated to social institutions.

Isabelle Huault, for her part, uses the introduction to recall the originality of Granovetter's approach and to defend its interest for management scientists: the latter are often followers of economic theories such as transaction-cost and agency analyses and she implicitly regrets the resulting structuring role of utilitarian and functionalist hypotheses. She presents social network analysis as a way of opening management science to a better understanding of the concrete functioning of markets, institutions and firms.

The book is divided into four sections. The first one deals with the concept of embeddedness. Philippe Steiner, in his chapter, recalls the success of this concept in economic sociology but insists that it is covering various meanings, not only throughout the shifting from Polanyi to Granovetter but also as a result of the variety of paths explored by the expanding works in economic sociology: network (or structural) embeddedness in the sense of Granovetter, cultural embeddedness in Zelizer's one, political embeddedness in Fligstein's work and with other scholars. This gives rise to contrasted orientations for possible works. Steiner also draws attention to the specific difficulties that the network-embeddedness approach has to overcome despite its indisputable richness: convincingly dealing with how contradictions are resolved between affective and utilitarian rationales, and providing a clear definition of what is to be considered as economic. In the next chapter, as a management scientist, Gérard Koenig interprets the success of the revival of the embeddedness concept with Granovetter as originating in having been prepared by the successive attacks (by March and Simon and others) against the rational and technocratic approach, that is to say the idea that organisations could be planned rationally by their leaders. But Granovetter would also have been lucky enough to develop his analysis at a time when corporate cooperation has been positively reconsidered.

The second section gathers four papers about the links between organisations and social networks. In his chapter, Michel Ferrary explains exchange within the Silicon Valley's networks as arising not from pure market relations nor power motives but from a dynamics of reciprocity: exchanges of information between firms, as they entail great uncertainty, are more effectively conveyed through links based on trust than through market relations. Then, Michel Barabel, Isabelle Huault and Olivier Meier look at industrial districts in France and see them as supported by the crucial role of non economic factors, such as the solidarity and the trust based on relations inside family and/or territory, informal relations between firms managers as a means to cope with uncertainty, the aid provided by local institutions, and so on. Family is also dealt with in the next chapter by José Allouche and Bruno Amann: in line with Uzzi, they raise the question of performance within family-owned firms in connection with the role of personal relations. Various kinds of networks are used to cope with economic difficulties, based on strong or weak ties, in which family-based relations – as they would entail trust – make it easier and safer to act. The chapter by Franck Bournois and Stephan Gellrich studies managers networks: it analyses the esprit de corps of elites from university on to their professional life. In its turn, it stresses the impact of solidarity and trust but also of how such networks contribute to shape management capacities (how to solve conflicts, and so on).

The third section is composed of chapters about transactions. One of these, by Didier Chabaud, revisits transaction cost theory at the light of the possible cooperation with the new economic sociology, despite Granovetter's critique of Williamson. Another one, by Nathalie Mourgues, is in search of complementarities of Granovetter's approach with common researches in finance. The author insists that, in some of his works, the American sociologist is not completely opposed to the idea of rationality – so significant in finance – but above all that the evolution of his research programme can be interesting for the analysis of disorders of financial markets such as investigated by “behavioural finance”. The limits of rationality (in neoclassical sense) on financial markets are also the subject matter of André Orléan, who highlights in his turn the social dimension of rational behaviour. In the final chapter of this section, “relational marketing” is seen by Nathalie Guibert and Pierre-Louis Dubois as likely to be revisited through networks analysis and to fill the gap built by marketing about the political or social dimension of exchange (role of trust, cooperation...).

Finally, the fourth section deals with institutional facts. Corporate governance is depicted by Laurent Batsch in its historical and geographical specificities and as referring to some sort of institutional embeddedness. The latter is also examined by Patrick Hetzel and Sophie Morin-Delerm but about consumption: they argue that consumption depends on value systems, so that marketing has to deal with, for instance, ecological awareness – promoted by customers leagues, non governmental organisations, and so on. Boycott is taken as an example. Finally, Yves-Frédéric Livian and Christophe Baret review different analytical frames in their capacity to improve the way relations between firms and their institutional environment are dealt with in human resource management.

This book gives to the reader an idea of how management science and new economic sociology can meet. It shows that from now on new insights in economic sociology are probably to come not only from sociologists but also from other disciplines, and notably management science. This is fully understandable indeed, since the project of regarding economic and social dimensions as embedded is not specifically sociological in itself but rather a standpoint likely to be shared by various disciplines, economics included through its “heterodox” theories, and management science as well. Social analysis of economic phenomena is of common interest for many disciplines. It is to be hoped that conditions will be made to favour such a participation of various branches of knowledge to a same field of analysis: works in common between sociologists and management scientists, opening of academic reviews to disciplines manifold, etc.

Perhaps this will suppose from management scientists to deepen the conceptual framework of their analyses. Indeed, some contributions of this book appear to have been inspired by the concept of embeddedness solely on the late times of the research work: most hypotheses they defend could have been presented almost without referring to this concept. This would be of great interest to see how the adherence to the embeddedness approach is leading to redefine and refine issues in the further developments of these researches. As stressed by some authors, embeddedness can receive various meanings whose implications for the analysis, hypotheses, outcomes, and so on are not the same, although they all contribute to exemplify the social embeddedness of the economy. Such a work will certainly have to be achieved since management science is often accused of picking up concepts in theories of diverse social sciences as if these concepts were mere tools transferable regardless of their theoretical... embeddedness.

Conversely, management science could provide then new kinds of use of embeddedness approach for, as have been noted by some contributors, this discipline meets specific constraints, and especially the obligation to have concepts likely to be made operational by management practitioners and not only to describe reality. This is a very hard task on the agenda but this could be the way management science could provide original inflow within the field.

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## RECENT PUBLICATIONS

The following books have been sent to the editor and/or will give complementary information to the articles above. (Some of them will be reviewed in next issues of the Newsletter.)

- Michael N. Dobkowski and Isidor Wallimann, eds. *On the edge of scarcity : environment, resources, population, sustainability, and conflict*. Syracuse: Syracuse University Press. 2002, \$18.95.
- Teivo Teivainen. *Enter Economism, Exit Politics. Experts, economic policy and the damage to democracy*, with a preface by Immanuel Wallerstein, London : ZED books. 2002.
- Association recherche et régulation, *L'Année de la régulation. Economie, Institutions, Pouvoirs*, 6, 2002-2003, Dossier : Economies politiques du capitalisme.
- Richard Rottenburg. *Weit hergeholte Fakten. Eine Parabel der Entwicklungshilfe*. Stuttgart. Lucius & Lucius. 2002.
- Marie-Emmanuelle Chessel, Fabienne Pavis, *Le technocrate, le patron et le professeur. Une histoire de l'enseignement supérieur de la gestion*, Paris, Belin, 2001.
- Pascale Moulévrier, *Le mutualisme bancaire. Le Crédit Mutuel de l'Eglise au Marché*, Rennes, Presses Universitaires de Rennes, 2002.
- Thierry Pouch, *Les économistes français et le marxisme. Apogée et déclin d'un discours critique (1950-2000)*, Rennes, Presses Universitaires de Rennes, 2001.
- Trigilia Carlo (2002), *Sociologie économique. Etat, marché et société dans le capitalisme moderne*, traduit de l'italien par Catherine Drubigny, révisé par Marco Oberti, Paris, Armand Colin.

## CONFERENCE ANNOUNCEMENTS

**. 6 février 2003 - Université de Rouen Colloque sur le Capital social (appel à communications)**

Si en France, la notion de capital social a été théorisée essentiellement par Pierre Bourdieu, dans les pays anglo-saxons ce sont les travaux de Robert Putnam qui focalisent les débats et recherches sur cette notion et donnent lieu à une littérature abondante. Depuis L.J. Hanifan, un éducateur américain qui, selon Putnam, fut le premier à utiliser le notion pour désigner « *ces substances tangibles qui comptent le plus dans la vie quotidienne des gens, c'est-à-dire la bonne volonté, la camaraderie, la sympathie et les relations sociales entre les individus et les familles qui forment une unité sociale* », de nombreux auteurs ont en fait conceptualisé plus ou moins indépendamment les uns des autres le capital social.

La notion est mobilisée dans de nombreux champs de recherches. Michael Woolcock (2001) dénombre ainsi au moins sept domaines dans lesquelles la théorie du capital est mobilisée : la familles et les jeunes, l'école et l'éducation, la vie des communautés (community life), le travail et les organisations, la démocratie et la gouvernance, les problèmes de l'action collective et le développement économique. Cette liste qui n'est pas close témoigne des usages multiples du capital social qui intéresse aussi bien les politologues, les économistes que les sociologues. Plus récemment des institutions comme le FMI ou l'OCDE se sont également emparées de la notion y consacrant des colloques et des ouvrages.

Cet intérêt ne va pas sans récupérations intéressées. Pour ne citer que deux exemples, pour Fukuyama le capital social « is the sine qua non of stable liberal democracy » (Fukuyama, Francis, 1999) et Jeremy Rifkin l'identifie au tiers secteur (Rifkin, 1999). Comme toute notion en vogue, le capital social tend à devenir une notion « valise ». Néanmoins, des auteurs peu suspects de complaisance à l'égard des théories du capital social reconnaissent à ce débat une vertu stimulante. En effet, la théorie du capital social représente une contribution importante au renouvellement des réflexions sur des thèmes clefs comme l'action collective, la démocratie, les politiques publiques, le lien social.

Dans un premier temps, la théorie du capital social développée par Putnam a été accueillie avec quelque scepticisme en France. Elle était suspectée de communautarisme, voire de n'être que le



recyclage de vieux débats. Néanmoins, les recherches françaises sur le capital social commencent à se multiplier. Le temps est mûr pour faire le point en France sur les théories et recherches sur le capital social.

C'est avec cet objectif, qu'un groupe de chercheurs appartenant aux quatre laboratoires CRIDA-LSCI de Paris, CIRTAI du Havre, GEODE, de Nanterre et GRIS, de Rouen organise **le 6 février 2003 à l'Université de Rouen** un colloque sur le capital social. Ce colloque est organisé par des sociologues mais compte sur la participation d'économistes comme de politologues.

Parmi les personnes sollicitées, Bernard Perret, Jean Gadrey, Yannick Lemel, Nonna Mayer, Alain Degenne ont confirmé leur participation.

### **Programme de la journée du jeudi 6 février**

9h30 - 11h30 : Ouverture du colloque et première table ronde en séance plénière : **Le Capital social de Bourdieu à Putnam**, table ronde avec Michel Lallement et Jean-Louis Laville comme discutants - modérateurs

11h45- 13h, puis 14h15-16h : trois tables rondes parallèles :

**Capital social et économie solidaire** : avec Elisabetta Bucolo comme discutante – modératrice

**Capital social et indicateurs sociaux** : avec Danièle Trancart comme discutante – modératrice

**Approches comparées du capital social** : avec David Charasse comme discutant – modérateur

16h30- 18h : en séance plénière

**Capital social et démocratie**, table ronde avec Antoine Bevort et Alain Caillé comme discutants – modérateurs

**Comité scientifique** Antoine Bevort, Elisabetta Bucolo, Alain Caillé, Albert Gueissaz, Michel Lallement, Jean-Louis Laville, Danièle Trancart

### **Bulletin d'inscription au colloque sur le Capital social**

Comme précisé dans le bulletin d'inscription ci-dessous, vous pouvez vous inscrire en tant qu'auditeur ou comme intervenant présentant une communication. Normalement, nous tenterons de réserver 50 % des communications à des doctorants

NOM :

Prénom :

Fonction :

Université, Laboratoire :

N° de téléphone :

email:

s'inscrit au colloque comme (auditeur ou intervenant) :

Propose une communication dans la table ronde intitulée:

Titre provisoire de la communication dont le résumé en environ 1500 signes sera envoyé avant le 30 novembre :

Règle les droits d'inscription couvrant la participation à la journée, le déjeuner, l'ensemble des communications parvenues avant le 20 janvier à Rouen, soit 50 euros (ou 35 pour les doctorants) par chèque à l'ordre de l'agent comptable de l'université de Rouen :

**Inscription à renvoyer** avant le 30 novembre 2002 pour présenter une communication, avant le 15 janvier 2003 pour assister à la journée

*par courrier à* : Yamina Bensaadoune, GRIS - Université de Rouen 1 rue Thomas Becket 76821 Mont Saint-Aignan-Cedex

*par email à* : [gris@epeire.univ-rouen.fr](mailto:gris@epeire.univ-rouen.fr)

Pour toute demande d'information complémentaire, vous pouvez vous adresser à Antoine Bevort ([abevort@free.fr](mailto:abevort@free.fr)).

-- Antoine Bevort 8 rue de la reine blanche 75013 PARIS 01 45 35 80 14

### **. Conference meeting (6-7 December 2002)**

A conference on the History and the Methodology of Economic Sociology will be held in Paris, at the Maison des Sciences économiques (112, boulevard de l'Hôpital, 75013 Paris). The communication will include :

Friday morning :

This Saint-Jean, Isabelle (Université Paris I)

*Peut-on définir ce qu'est la sociologie économique ?*

Orléan, André (CNRS-Polytechnique)

*L'économie des conventions est-elle une branche de la sociologie économique ?*

Favereau, Olivier (Université Paris X)

*La théorie de la régulation sociale est-elle au centre de l'économie des conventions ?*

Friday afternoon :

Garcia Parpet, Marie-France (INRA, Paris)

*Ethno-sociologie économique : les travaux de Pierre Bourdieu sur l'Algérie*

Laville, Jean-Louis (CNRS, Paris)

*Histoire et actualité de la sociologie économique : une mise en perspective d'apports francophones*

Ferreira, José Maria (SOCIUS, Lisboa, Portugal)

*L'organisation du travail et le troisième secteur dans la construction de l'objet scientifique de la sociologie économique*

Lazega, Emmanuel (Université Lille I) & Lise Mounier (CNRS)

*Régulation externe et auto-régulation des marchés : Une étude de cas à partir du tribunal de commerce*

Saturday morning :

Lordon, Frédéric (CNRS/CEPREMAP)

*La théorie de la Régulation, le politique et le symbolique : deux raisons 'd'aller voir ailleurs'*

Nau, Heino (Frankfurt Universität, Allemagne)

*Max Weber's Economic Institutionalism (1880-1920): A Research Agenda for Today's Economics and Economic Sociology*

Swedberg, Richard (Cornell University, Etats-Unis)

*Different Approaches to the Concept of Culture in Economic Sociology, 1900-2000*

Saturday afternoon :

Lallement, Michel (CNAM)

*Les " industrial relations ", filles de la sociologie économique ? Regards croisés sur S. Perlman et J.T. Dunlop*

Vatin, François (Université Paris X)

*Sociologie du travail et sociologie économique en France après la seconde guerre mondiale*

Heilbron, Johan (CNRS, Pays-Bas) & Bernard Convert (CNRS, Lille)

*L'émergence et le développement de la New Economic Sociology aux Etats-Unis*

Steiner, Philippe (Université de Lille III)

*Structure d'enseignement et sociologie économique en France (1950-1980)*

*For any further information, please contact :*

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## PhD's IN PROGRESS

### Trust and Transition

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**Abstract:** At the end of 20<sup>th</sup> century there was a renaissance of interest in trust phenomenon in social sciences. Postcommunist societies in which revolutionary enthusiasm turned into 'trust crisis' could serve as a living laboratory for testing various trust theories.

In this text I argue, that meaning trust concept varies in relation to the perspective, which we choose for studying changes in these societies. Radical societal changes can be studied either as discontinuit transitions as well as continual transformation (Kabele 1998c). Different understanding of trust in these two perspectives is presented by the means of differentiation of trust in a cycle of positive feedback (transformatology) and trust as socially constructed birth of change (transitology). In the former case trust is perceived as a pillar of social order, in the later one trust is expression of agency of social change actors.

Case studies of changes in protestant parish, municipal policy and local commerce show that the both conceptions of trust are being present during the period of radical societal change. In situations of high social uncertainty first conception of trust proves to be an effort to preserve of

status quo, which changes endanger. Second type appears, when actors perceive changes as opportunity to overstep familiar realm and sphere which they can control.

*The dissertation was defended in January 2002.*