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THE FRENCH CONVENTION SCHOOL AND THE COORDINATION OF ECONOMIC ACTION.

Laurent Thévenot Interviewed by Søren Jagd² at the EHESS Paris.

Starting in economics very early you seem to have had an interest in a sociological perspective on economic action. Where did this sociological inspiration come from?

Several of the people who participate in the convention tradition have the same background that I have, the *école polytechnique*, which is based on mathematics and physics. It is the highest level within an *Ecole Normale Superieure* on this topic. It means that all these people have their first training in economics. In France it is not possible to enter this kind of school with both an interest in humanities and in mathematics. At some step in the former training you have to choose. Why did I say that? Just to say that many of the people who find themselves within this school are actually quite interested in other areas. This was clearly the case of Robert Boyer of the regulation school, Robert Salais, André Orléan, Jean-Pierre Dupuy, and me. The five of us are from the *école polytechnique* and we are all interested in other things than mathematics.

After the école polytechnique the best students chose to make an application for a second grande école for their Master degree. I chose INSAE, which leads to INSEE (The National Institute for Statistics and Economic Studies). You need to know that in France INSEE is not only an economic bureau. In the same institution you have people producing statistics and people analysing them. At this time the neoclassical tradition was not very strong and there was a whole range of interests. The interest in sociology was shared by quite a few of these people. Alain Desrosières was already in INSEE, with the same background as I had, together with another French sociologist, Daniel Berthoux. Both of them, but mainly Alain Desrosières, was the link to sociology and especially Bourdieu's sociology. It was the most sophisticated sociology at that time. It was also well suited to the problem we were dealing with which was classification.

I was a student of Bourdieu, but not for a very long time. I have even written a perfectly Bourdieusian paper. Bourdieu was used to rewrite the papers. He said what, for him, was the very best compliment: "There is not a sentence to change". So, I learned this language and this theory. Then I discovered Luc Boltanski, who was actually at this moment departing from Bourdieu. He had been working with Bourdieu. He was really the main collaborator. I then began to work with him. This is, of course, a very long story of the construction of a new kind of sociology, which was completely antagonistic to Bourdieu's.

One of the problems we have in translating French terms to English is with the concept dispositifs. It is very difficult to translate. Of course, it was already used by Foucault. For us it is a very central category. Dispositifs are very interesting in French because it contains disposé that has the same root as disposition. Disposition is the main category for Bourdieu

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because disposition is the *habitus*. So, in French you are *disposé à faire quelque chose* (disposed to do something). Let us begin with that.

Bourdieu worked from the assumption that the disposition is rooted within the person, incorporated and rooted for all his life. This means that the disposition is the same in all situations, which is not very dynamical. It is a very good assumption to have for a theory of reproduction of course, but otherwise you have a rather poor idea of human beings because they are just developing the same schema all their life in all situations. Actually, we considered the antagonistic assumption, which is that many dispositions are within the *dispositifs*, which means within the arrangement of the situation.

There was also a strong opposition to Bourdieu in terms of politics and morals. For Bourdieu, of course, it was the Marxist schema of the struggle of social groups. We were thinking that politics and morals was a big issue for people, that there were many ways to place values on things. We were working against the way to look at politics just as trial of force and of collective opposition of groups which is the view by Bourdieu and by many other social theorists. Actually, we were rebuilding the link between political and moral philosophy. Sociologists deal with political issues as a question of strength and struggle and with moral issues as a question of ideology, beliefs and values, which is not really part of their analytical framework. Even in Weber, who is the most advanced sociologist in this respect, the level of values is relatively disconnected from the level of rational choice of means.

My first work was on manpower forecasting models which were connected to the French state planning of education. Since I was building this model I had to work on the connection between education and occupation. So my very first work was actually on qualification. Actually the theme of qualification became a sort of a common object of discussion within this unit of INSEE.

Because of this question of qualification I already have been working on occupational classification because it was my main tool. The beginning of this idea of plurality came from the idea that there are deep, deep contrasted ways of what we call in French *rapproché*, a word which does not exist in English. There are different ways to bring together, but the idea of *rapproché* is more interesting because you have not the idea that at the end they are together. You have the idea of the process – of getting closer. That means that classification was not so simple as it was presented because they had somehow to compromise between these different modes.

It was in 1984 that I published in English the version of *Investment in Forms* and I was working together with François Eymard-Duvernay. We developed this notion of qualification both of people and products. I was working together with François Eymard-Duvernay mainly on firms and with Luc Boltanski, with whom I began to work at this time, on the qualification of people and more generally the way they were categorised in the social space. Alain Desrosières was the one who trained me. We were very close together in the same institution. André Orléan was working in a very different area, on money. François Eymard-Duvernay was also in the same institution. It was a very intense milieu where people could work together and have genuine cooperation.

When I first read your paper on investments in form I read it as a kind of a social constructivism, but when I was re-reading it I couldn't really find it. So maybe I just constructed a social constructivism?

I think, somehow, we were social constructivists at that time. Now, I am very opposed to it because we are considering the fact that there is a process of qualification. What is a social process? This is just missed in social constructivism. When you say that it is a social invention, a social process, well you feel satisfied. But for us it was not only a social process. It was a technical as well as an organisational process, which means that it was not only a problem of social beliefs and of social representations. It is actually a process that had to be dealt with as we deal with production processes, but it is much more fundamental. That means that from the very beginning the notion of investment in form was a project on coordination, which is not explicitly considered in social constructivism. In social constructivism coordination is very simple. It is a fact that there is a social group and that people agree on representations. Coordination is just assumed. For us it was and still is the big issue. I think it is even more important than convention. Modes of coordination, this is the big issue. So, from very far you can say that is was a part of the social constructivist turn, but quite rapidly it departed from social constructivism and opened towards a new program on problematic uncertain coordination between human beings.

It seems to me that there are three slightly different approaches to describe the plurality of economic action in the Economics of Convention tradition. Your work with Boltanski on the theory of grandeur, François Eymard-Duvernay's notion of conventions of quality and Robert Salais' conventions of labour. Can you explain how they are related?

These three are related. The approaches of Olivier Favereau and André Orléan are different. André Orléan is influenced by René Girard and by the idea of imitation which is in Girard. At the same time, I think, he has a sort of basic Durkheimian view of the social as a sort of agreement within a collective. In the case of Olivier Favereau, it is clear too that the background is different. Maybe the three approaches you mentioned are more or less related to this notion of a plurality of worth. I prefer worth to greatness. Worth is not a perfect expression but it focuses on the idea of giving worth which is the main question.

What would you say are the common assumptions of the group of people in the Economics of Convention tradition?

I think that a common assumption is the idea that coordination is problematic because of uncertainty. I would say that human beings somehow organize uncertainties. They organize it to make it make it tractable. For me, this is the answer to Knight's risk and uncertainty difference. Risk is the result of channelling uncertainty and making it measurable. But for me it is a more general issue. What is interesting is the way human beings channel uncertainty in something that will be testable. Well, of course, it doesn't work this way, because there is always new uncertainty. It means that even when you channel, there is, in our sense, a renewal of the test. And second, because there are many ways to channel uncertainty. Maybe the notion of convention, in its generality and flexibility, is just a way to point to this question: How do human beings organise uncertainty so that they have some frame in which

they try to coordinate. So again, uncertainty is not at the end of the story. It does not disappear, but people try to replace it by frames, they tame uncertainty.

This leads us to the idea of shared knowledge which is actually also part of the neoclassical schema, although they ignore it. We have developed this point in many places. We have tried to look at shared knowledge as something problematic. It means that the building of something that will be viewed as common is already problematic, and is already a part of what we study. That leads also to reconsider the notion of information, and to replace the unity of information by a view of a variety of formats of information, from very informal clues to conventionalised formats of information. So uncertainty, the channelling through common frames to deal with it, which is one way to look at the plurality of worlds, whatever they are, and the importance of cognition.

I also think we added to that the question of politics and morals. It was not shared among us, but now I think it is a common preoccupation. It is clear in the recent work by François Eymard-Duvernay³ and it is also clear in papers by Olivier Favereau who tries to point to the fact that values have been forgotten by economists. So, now we could add this preoccupation as a shared one. For me the main problem is the question of genesis of conventions and the question of what you put within the notion of convention.

Let me give an example. I think that for Robert Salais convention is common expectation which is actually quite close to common representation. For me it is too demanding and too close to the classical Durkheimian view of the collective. The reason why I mentioned that is that you pointed to this question what is common or not in the convention tradition. Strangely, because somehow I am supposed to be the most inclined sociologist of all of the convention people, I always criticize the others for being too sociological in the classical meaning of shared representations and expectations.

Michel Callon argues that the model of economic man could be useful for people engaging in economic activities. And that the interesting thing about this model is if it is actually used by economic actors. Do you agree with that argument?

If Callon says that I would say: Why do they use it? I would ask: What kind of properties should this variety of models have? This is not the kind of question he can answer. He would just answer that they do use it. I think that the problem with this answer is that it will lack a reflection on this architecture of regimes and on the path to the public. This is the main problem for me with this overwhelming notion of network. It doesn't give any specification of the link, of the social link, of the social action. And again I think a good specification would require this specification both of the good and of the reality as it is used as a test. Instead of that the network modelling in general terms is, I would say, flat, so it cannot give you a good picture of what is needed to go from proximity to the public and to come back from there.

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³ Eymard-Duvernay, F. (2002). "Pour un programme d'économie institutionaliste." <u>Revue Economique</u> **53**(2): 325-336.

According to François Dosse⁴ economics of convention is based on three 'turns' in the social sciences: the cognitive turn, the interpretative turn, and the pragmatic turn. Do you agree with this description?

I think it is rather clear in Dosse's book because he follows the different other traditions in the present networks of people who correspond to these different turns. For instance, cognition is very far from both economics and sociology. In many occasions cognitive science is the enemy for sociologist and it was just ignored by economists. Because of the creation of CREA and its director Jean-Pierre Dupuy, cognitive science was imported to France.

I also worked there with André Orléan. It meant that we were concerned with this research on cognition. I would add that there is a branch of cognition which is not supported at all by this group at CREA which is social cognition.

The interpretative turn is well known and historically earlier. It was central in connection with models as a way to grasp. I use grasp. I didn't use interprete because there might be drawbacks with interpretation because of this meaning bias. I think the accentuation of the idea of coordination was a reaction towards a more meaning oriented notion of interpretation. Of course interpretation comes from the text, hermeneutics. As you know Paul Ricoeur developed a very strong connection with the theory of action, which makes a much broader issue of interpretation.

So, we come to the third term which is pragmatics. I could put it this way. We were concerned with cognition in relation to interpretation, and a need for interpretation which means that we were not concerned with cognition as reflection about pure brain stories. We were concerned with cognition in relation to others, which is I think is the core of the interpretation term. And we were concerned with both cognition and interpretation as far as they were situated in a pragmatic perspective, in the perspective of acting, which mean not only understanding but doing things with others. And I think the interest of action is to put to the fore the reality test. In terms of interpretation, the reality test could be the community of understanding, but we didn't want that. We wanted something much more realistic. I would say, I think I said that maybe last time that for me, and not only for my, I would say and I think Luc Boltanski would say something similar. We were reacting progressively against social constructivism, which is, as I said, something we participated somehow in. But very quickly I shifted from social constructivism, in terms of social representation, to coordination, which means a test of being social through action. The reason why we are anxious about that is that in many occasions we are just viewed as social constructivists, which is false.

So now, I think, you see the reason for the three pillars: cognition, interpretation, which is more than cognition because it is oriented towards the others, and pragmatics, which is more than interpretation because it is oriented toward action and some return of reality as a reason of action. But I am sure that Luc Boltanski and several others in the convention tradition will not say that they are part of the cognitive turn.

⁴ Dosse, F. (1999). <u>Empire of Meaning: the Humanization of the Social Sciences</u>. Minneapolis, University of Minnesota Press.

How do you see the most important differences between Economics of Convention and Transaction Cost Economics?

For transaction cost economics I have answered quite extensively in my papers. Let us say that one can be charitable or one can be very critical. If you are charitable, you will say that Williamson was the first to try to implement some notion of a plurality of modes of coordination. He was the first to reflect upon this pluralism. In that sense, we are in the same move. I don't say that we do that because of Williamson, because it was really bad and quick. But the beginning of pluralism is the notion that you have different cognitive forms. So this is what I can say to be charitable.

Now, if I am critical, and this is a point that we have mentioned many times, we shall say that he is just missing the point because he, in the end, will consider that all these different modes of coordination are chosen on the basis of some form of light extension of the classical model of rational organisation which doesn't work. If you do that you put at the highest, or more basic, level these classical implements of economic market coordination, which is exactly what you wanted to prevent yourself to do through this pluralisation.

How do you see the most important differences between Economics of Convention and evolutionary institutional theory?

For the evolutionary and institutional current I think the problem which is central in many theories is that the good is hidden, to say it very shortly. I hate that because I spend so much effort at doing the contrary. They claim that the good is hidden in something that is called success. Success without a notion of good is clearly an evaluative notion. You have this problem already within other evolutionary theories, not specifically the economic current.

Another problem is the notion of routines which again has to be placed in a broader variety of activities. Why just reduce all to routines? Of course it was a mistake to forget this level. This is the reason why I tried to analyse it very precisely in the domestic regime. So, it is a good idea to turn toward this word of behaviour but, I think, the reduction to routines is highly problematic, because it ignores the main problem of organisation, which is to compose with this variety of regimes. You cannot make an organisation with routines only, but you cannot account for the whole functioning of any organisation without this level. I think that the conceptualisation of the routine level is not appropriate and I think that the conceptualisation of the test, which is so important for us, in terms of success, is not very adequate either. But this is just short for a very long story.

How do you see the most important differences between Economics of Convention and Economic Sociology?

Let us just discuss the seminal paper by Mark Granovetter. Of course, again, one needs to be very charitable and I will be because it has been so influential on the view on economic processes as part of more general social processes. Of course I completely agree with the

loose notion of embeddedness. In that sense we are all in the same movement. I completely agree also with the critic of the oversocialised notion of the actor in sociology. This is also something that I commented a lot on in different papers, specifically considering the Durkheimian tradition and social constructivism, which has an oversocialised view of the world.

Considering his critic of the undersocialised actor, I would not agree so much. I think that one thing that we have done, which is original and which was criticized by most positions, was to look at market competition as a real, implementable, mode of coordination, under some conditions of course, which was the qualification of the good, the generalisation of some form of value, etc. So, I wouldn't say that the economic actor, in the sense of the one who is acting on the market, is so undersocialised. He has to have a common knowledge of the good, which all the other has. And, of course, he has to accept the main form of evaluation, which is, again, a highly common assumption. So, he is not so atomistic. If you are very precise about this assumption, then you will say that the economic actor is not alone at all.

In that sense, I think that many people from the economic sociology tradition miss the understanding of the specificity of market coordination. But of course, market economy is not economy. That means that they pay attention to many other supports for coordination which are part of the economic process. So, in that sense they are extremely relevant, useful, and we are all part of the same story.

One more thing, as I told you before I am not very fund of network theorising as far as network theories miss the qualification of the links, which is exactly what we try to do. Once we have done this analysis of the variety of engagements, well then, why not speak of networks of different engagements? But then network misses its power of unification, which is the idea that somehow the links are compatible and just allowing the flow of something. I think this is the problem with network theory. Of course it is extremely efficient in terms of modelling, but this is the problem that I see from the position of the analysis of the links themselves. And I would say the same of my friends Michel Callon and Bruno Latour. They are not in a good position to characterise heterogenity.