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ECONOMIC SOCIOLOGY

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NOTE FROM THE EDITOR

Dear reader,

In 2002, Daniel Miller wrote a critique of Michel Callon's *Laws of the Market*; this critique, published in *Economy and Society*, raises a number of issues fundamental to economic sociology, yet a debate never ensued. The newsletter asked Michel Callon to write a response to Miller, and is pleased to publish it in this issue. In the mean time, Daniel Miller has agreed to follow up in the next one.

In the article, Callon defends his highly debated performativity program, showing the complexity of market devices and describing the agencies involved in detail. In particular, he addresses the criticism that his program is weak and a-political: 'I can understand why economic sociology and anthropology tend to concentrate on [entanglement] mechanisms. They are a godsend for scholars who feel that they are invested with the mission of rehabilitating social relations – values threatened by cold and inhuman economics.' Yet, Callon writes, 'That's only half the story.'

Later in the newsletter, Patrik Aspers of Stockholm University argues that Callon's program is empirically valid in exchange role markets (such as financial markets), but not so in fixed role markets (such as production markets studied by Harrison White). In another article, Mabel Berezin of Cornell University presents a typology that should help economic sociologists explore the path from feeling an emotion to action.

The newsletter is also starting two new columns. First of all, each issue a leading scholar will answer ten questions about economic sociology in Europe. We are very pleased that Karin Knorr Cetina (University of Konstanz and the University of Chicago) has agreed to go first. In the second new column, one scholar will recommend three recent books and articles in economic sociology. Richard Swedberg, who does not need any introduction, starts off. Apart from two book reviews (of Jens Beckert's latest book on the sociology of inheritance and of Axel Paul's book on the society of money), you will find, as usual, job ads, conference announcements and calls for papers in this newsletter.

In the mean time, the newsletter is about to celebrate its 1000th subscriber. The distribution list is growing rapidly: since July last year, 134 new subscribers have been added. The Cologne-based Max Planck Institute that is hosting the newsletter, is gratefully acknowledged for making this possible.

Finally, the Heterodox Economics Newsletter, published by Frederic Lee of the University of Missouri in Kansas City is highly recommended to readers. Each issue contains many announcements (conferences, jobs, books, etc.) that may be of interest: <http://l.web.umkc.edu/leefs/htn.htm>. Furthermore, for French speakers, a noteworthy bibliography is available at <http://forum.u-paris10.fr/CD/fr/programmes/socioeco/index.asp>

As always, articles, announcements, book reviews and conference reports can be submitted by email. The deadline for the next issue is May 15th.

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WHY VIRTUALISM PAVES THE WAY TO POLITICAL IMPOTENCE
A REPLY TO DANIEL MILLER’S CRITIQUE OF *THE LAWS OF THE MARKETS*

Michel Callon

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In 2002, Daniel Miller opened a controversy by contrasting the realism of his virtualist program with the unrealism of my program which defends the ‘performativity of economics’- thesis (Miller 2002 - see footnote for an abstract of Miller's article).¹ His critique raises a number of fundamental theoretical questions. To clarify the debate I have chosen to start with these questions and present what I see as the core assumptions in the program presented in *The Laws of the Markets* (hereafter referred to as LoM) (§1). I then show (§2) that on each of these core assumptions Miller’s positions differ from mine. Finally (§3), I explain why, unlike Miller, I see realism in my program and unrealism in his.

1. THE PERFORMATIVITY PROGRAM AND (SOME OF) ITS CORE ASSUMPTIONS

Talking of the performativity of economics means assuming that agency is distributed and that concrete markets constitute collective calculative devices with variable, adjustable configurations. It also means that the role of critique is limited to clarifying differences and local asymmetries in order to raise the open question of experimentation with new forms of organization.

Agency

In order to understand the theoretical implications of the controversy we need to start with studies of agency and especially those following the so-called “distributed action and cognition” approach (Hutchins 1995). These studies have contributed towards a complete change in our conceptions of relations between individuals and groups, as well as our views

¹ In *Turning Callon the right side up* Miller argues that, contrary to his own claims, Callon's work amounts to a defence of the economists' model of a framed and abstracted market against empirical evidence that contemporary exchange rarely if ever works according to the laws of the market. Miller starts with an example from an Indian village, which shows how other societies also try to frame particular genres of exchange to protect themselves from other varieties of exchange. But both there and within capitalism the frame is precisely a moral system of how exchange ought to be carried out. Miller then uses the example of car purchasing to suggest the highly entangled world of actual exchange within capitalism both between the exchange partners and also between consumers and commerce more generally. Indeed, the actual case studies in Callon's *The Laws of the Markets* seem to support this conclusion rather than the model put forward in his own introduction and conclusion. These studies, as others cited here, suggest the centrality of entanglements also for higher-level exchanges, such as stock markets and corporate take-overs, and not just for shoppers or other individual actors. As an alternative to Callon, Miller briefly summarizes an argument published elsewhere, called 'virtualism', in which Miller examines the increasing ability of economists and other agents of abstract models such as audit and consultancy to transform the world into closer approximations of their theories and models. Miller suggests this provides a more fruitful way of understanding the growth and power of abstraction in the contemporary economy.

of collectives and society. Since they can hardly be summed up in a few lines and are starting to be well known, a reminder of the main points will suffice.

Agency as a capacity to act and to give meaning to action can neither be contained in a human being nor localized in the institutions, norms, values, and discursive or symbolic systems assumed to produce effects on individuals. Action, including its reflexive dimension that produces meaning, takes place in hybrid collectives comprising human beings as well as material and technical devices, texts, etc. Different disciplines and approaches have used various concepts to describe those collectives, including socio-technical arrangements (Barry 2001), communities of practice or epistemic communities (Knorr-Cetina 1999; Lave and Wenger 1991; Amin and Cohendet 2004), hybrid collectives (Callon and Law 1995; Latour 2005), socio-technical diagrams (Deleuze and Guattari 1998) and situated actions embedded in their settings (Suchman 1987). Provided that it is extended to materialities— as its etymology suggests – the concept of habitus as developed by Bourdieu corresponds to this approach. The following points are relevant to the debate in question:

- a) Action is a collective property that naturally overflows. To be attributed to a particular agency, it has to be framed.
- b) The forms of agency are therefore multiple and diverse. Depending on the nature of the arrangements, of the framing and attribution devices, we can talk of agencies reduced to adaptive behaviours, reflexive agencies, calculative or non-calculative agencies, or disinterested or selfish ones, that may be either collective or individual.
- c) These agencies, like Hobbes' Leviathan, are made up of human bodies but also of prostheses, tools, equipment, technical devices, algorithms, etc. The notion of a cyborg aptly describes these *agencements*. Because agencies are made they can be (re)made, at least to some extent. (Re)configuring an agency means (re)configuring the socio-technical *agencements* constituting it, which requires material, textual and other investments.² We can and even have to conceive of the invention of new forms of arrangement (like the interactive diagram clearly described by Barry (2001) and Rose (1999), that they distinguish from the disciplinary diagram as described by Foucault). The exploration and description of these different forms of agency, as well as the analysis of their (possible) diffusion, constitute an immense project ahead of us. It is situated in the continuity of Max Weber's work and the different forms of rationality of action that he distinguished.
- d) Everything in these *agencements* that makes it possible to locate sources of action, establish origins, assign responsibilities, and account for profits and losses associated with a particular action, plays a strategic part in shaping agencies. In particular, I have in mind copyrights, property rights, human rights, etc.
- e) Asymmetries between agencies may be considerable. Certain agencies (and *agencements*) can be likened to macro-actors capable of strategies, of instrumentalization, while others are reduced to points, sometimes to bodies, condemned to repetition, to automatic behaviours. This is why the theme of handicaps and disabilities is becoming strategic (Moser 2003; Winance 2001). It provides an analytical framework to account for relations

² I use the french word *agencement*, instead of arrangement, to stress the fact that agencies and arrangements are not separate. *Agencements* designate socio-technical arrangements when they are considered from the point view of their capacity to act and to give meaning to action.

of domination-exclusion between agencies, and to interpret behaviours of resistance or recalcitrance (Callon 2003).

- f) In the same way that traditional sociology has highlighted the fact that an individual can go from one form of rational behaviour to another, or be torn between several roles or personalities, we can consider that different agencies mix or merge with others, as in the case of economic markets that we know combine both calculative and non-calculative agencies (see, for instance, analyses of the blood market: Steiner 2001).

This substitution of the socio-technical *agencement* for the individual-human-agent embedded in institutions, conventions, personal relationships or groups sharing identical values has important consequences, notably on our understanding of economic activities and especially markets. It helps, in particular, as suggested in *The Laws of the Markets*, to treat symmetrically calculative and non-calculative agencies. To put it bluntly: there is as much artificiality in the altruistic gift, in the interpersonal relationship (based on trust, for instance) as in the striving to maximize profits. Both forms of agency imply huge investments, especially material. Neither of the two is more human or anthropologically correct than the other (Callon and Law 2005).

By taking into account the diversity of *agencements*, this point of view has other implications, some of which have also been highlighted in *LoM*. Instead of assuming, for example, the existence of a spirit of capitalism or an overall logic of a mode of production, we can relate certain forms of economic activity to the more or less chaotic, regular and general upsurge of calculative agencies formatted and equipped to act on the basis of a logic of accumulation and maximization. Weber clearly anticipated this analysis by characterizing capitalism from the point of view of both the forms of subjectivity that it imposes and the accounting tools (and especially the double-entry bookkeeping) that it uses. The concept of socio-technical *agencement* extends this analysis by emphasizing the diversity of equipment and its capacity to evolve and to be transformed. Markets monitored by US pension funds that measure shareholder value trends do not function in the same way as markets in which banks are the main shareholders, interested only in industrial policies. The French school of regulation clearly grasped this variability in which it highlighted the diversity of types of capitalism (Boyer 2004). But instead of situating it, as it does, in institutional macro-arrangements, it seems preferable to try to locate it in socio-technical *agencements* themselves. The performativity program starts with an ethnography of socio-technical *agencements*.

Entanglements and disentanglements

Agencies are at the centre of markets and their variety has to be taken into consideration, but they are not the only component. The existence of a market implies the circulation of merchandise, that is, the existence of goods transformed into things that can be passed from hand to hand. This circulation is simultaneously a process of production and qualification that transforms products and in so doing qualifies them in such a way that they are attached to users by entering their world and becoming parts of it (Callon, Méadel et al. 2002). But market circulation also implies that this (more or less lasting) attachment induces a transaction after which the agencies involved are quits.

It is at this precise point that the theme of entanglement and disentanglement, as analysed by Thomas, comes into play (Thomas 1991).³ It has been studied in detail in the case of innovations. The design, production and commercialization of a new product or process mobilize a large number of actors and imply collective work in which end users, among others, are involved. That is why there is often co-design and co-production of the supply, the demand, and the goods around which they are shaped. Even in the case of incremental innovations that concern only so-called commercial aspects this collective mobilization exists. Users, among others, are always represented in one way or another. Studies on innovation show that the collective dimension is increasing and that consumers' commitment is becoming systematic. In general, we can say that there can be no innovation without representation, in one form or another, of all those who at some stage are directly concerned by the innovation in question. Another way of describing this evolution is by highlighting the growing importance of entanglement strategies and practices everywhere. The more competition implies innovation, i.e., the qualification and singularization of products, the more their fine-tuning, i.e., the profiling that attaches them to the consumer, involves explorations, investigations and relations that weave a web of entanglements between the agencies (Callon, Méadel et al. 2002). An increasing number of heterogeneous actors participate in the creation of this web, including marketers, packagers, advertisers, designers, merchandisers, sellers, etc. They are reducible neither to intermediaries nor to manipulators. We could call them professionals of entangling (or embedding).

Daniel Miller is right to highlight this trend. I also see it as one of the core components of the functioning of markets. Without these professionals goods could not be transformed into merchandize since they would lack what Marx called their use value or what I prefer to describe as their profiling (meaning these goods' entry into the socio-technical world of certain agencies, often requiring its transformation).

I can understand why economic sociology and anthropology tend to concentrate on these mechanisms. They are a godsend for scholars who feel that they are invested with the mission of rehabilitating social relations – values threatened by cold and inhuman economics. Yet that's only half the story. The proliferation of entanglements, through the qualification-singularization of goods, should not cause us to forget the necessary disentanglement of these goods. It ensures that the protagonists are quits. As entanglements multiply, disentanglements, without which no accumulation would be possible, become increasingly problematical and difficult to obtain. Yet since this is a matter of a market, it is necessary to have disentanglements and monetary compensations to free the agencies. When I was young one would have described this difficulty as a contradiction. Nowadays I prefer to talk of tensions or better of problems to solve. An anthropology of disentanglement would be fascinating. As the old Marx so clearly saw: there is no exchange value without a use value, and no use value in a market regime without the production of an exchange value. Reformulated after the anthropological turn: there can be no disentanglement without entanglement, and no entanglement that does not lead to disentanglement. The taking into consideration of property rights and, more generally, of law is seen to be at the centre of this anthropology, itself simply a sub-set of an anthropology of possession.

³ “Commodities are here understood as objects, persons, or elements of persons which are placed in a context in which they have exchange value and can be alienated. The alienation of a thing is its dissociation from producers, former users, or prior contexts” (Thomas 1991:39).

To illustrate this point, take Miller's example of Sophie and her car salesman (Miller 2002). As Miller rightly points out, the discussion at the end of which Sophie may take out her chequebook could not take place if the car market had not been strictly framed. Imagine the same scene if, in their interaction, Sophie and the salesman had to take into account its effects on traffic jams, climate change, exploitation of workers in countries of the South working for car manufacturers, the victims of road accidents, etc. My argument on framing and overflowing is all about that. For the transaction to take place we have to exclude from the market frame all these elements that are not to be taken into account, at least for the moment. This specific case shows us that there is nothing eternal about this framing and that it can be challenged at any time. Probably not by Sophie or her salesman who are absorbed by the future transaction and have other cats to kill, but by actors who feel concerned by these overflowings. This brings to mind Illich and his generalized calculation, who takes into account what Sophie and her salesman refuse to take into account and that leads to the following striking result: once all the externalities have been internalized, the speed of a car is slower than that of a cyclist (Dupuy and Robert 1976). This massive framing that is well known and controversial does not sort out problems of entanglement for once and for all. On the contrary! It produces a stage on which the process of entanglement-disentanglement can be managed by the agents engaged in the transaction. Once rid of global warming, traffic congestion, problems of urban tolls or road safety, our two heroes can focus on the qualification of the car that Sophie is (maybe) going to buy and on the process of that car's particular attachment to her world. This process of attachment, that I have called singularization, comprises the operations described by Miller. Once it has been achieved (assuming it is achieved) and Sophie has made up her mind, the market transaction can take place. As noted elsewhere, the object of the transaction may be a service, irrespective of how 'immaterial' it may seem. For example in Sophie's case the sale may include a leasing contract or after-sales services. But since all that is specified and qualified, salespersons and buyers are quits once the transaction has been completed. In other words— and this is where Thomas is so valuable— the disentanglement of the car from the seller's complicated and heterogeneous world is accomplished. And this is because the goods are detached and reattached that the two agencies become quits: the two processes are strongly intertwined. In other words it is quite impossible to separate the two issues of the embeddedness and of the alienation of (commercial) goods. It is common sense: the consumer buys only what he or she wants to buy but, as everyone knows, this will is not already there, it is co-constructed along with the good and with the salesperson and all the professionals of embedding.

To account for the market transaction between Sophie and her salesman we need to go further than Miller. We need to describe— as we have done in (Callon and Muniesa 2005) — not only the operations of framing that exclude and externalise overflowings, but also all the mechanisms (that we have called algorithmic mechanisms) that prepare and organize the encounter between individual agencies and the *capture-captation* (Cochoy 2004) of Sophie by a Renault salesman rather than by one from Rover. This encounter, that we have shown could be said to be calculated, allows the dual logic of entanglements and disentanglements to be deployed. All in all it becomes impossible, and unrealistic, to separate the two. What are called values and meanings, and that I prefer to call attachments and entanglements, are at the heart of the transaction and of the disentanglement through which it is concluded. This is what the general hypothesis presented in *The Laws of the Markets* means in concrete terms: to disentangle one has to entangle.

Economics

If we agree that, in order to exist and function, concrete markets require a set of investments and operations to shape calculative agencies, to qualify and singularize goods, and to organize and stabilize the encounters between goods and agencies, the question that arises is: How can this collective work be described and analysed, and who are the actors involved? The notion of an institution (or of a social network), at least in its traditional sense, is too restricted to describe the socio-technical arrangements that markets are. Institutions, as defined by the neo-institutionalists who emphasize property rights and their enforcement (Aoki 2001), but also by institutionalists like Commons (1934) or more recently by the new economic sociology, leave little room (if any) to material devices, technologies and, more generally, action and distributed cognition. The merit of the article by Marie-France Garcia, that I presented in detail in the introduction of *LoM*, is that it excludes none of these components.

The actors engaged in the construction and functioning of concrete markets are legion. All the usual suspects are there: firms, consumers and their organizations, researchers from private enterprises or government labs (natural or life sciences), technological engineers, lawyers, accountants, civil servants who draw up regulations, consultancies, patent offices, etc. – and economists. There is no reason to shorten or close this list, or even to confine ourselves, as is often the case, to the producers/consumers twosome. Concrete markets have the singularity of teeming with multifarious actors and entities and at the same time of constantly being framed, shaped, rarefied in a sense, to organize market transactions and ensure their aggregation (Neil Fligstein is right to emphasize the question of stability, but it should not cause us to forget the diversity of the agencies involved and their constant proliferation).⁴ It is therefore quite natural for the anthropology of the economy that I propose to grant a place to economics and thus to become an anthropology of (the) econom(y)ics. There is no reason *a priori* to deny economics the possibility of participating – with its not inconsiderable means and on its own terms – in the design and in the functioning of concrete markets.

The anthropology of (the) econom(y)ics implies that there is not on the one hand a reality (concrete markets) and, on the other, discourses, analyses that account for this objective reality in a way that is true, or scientific, to a greater or lesser degree. The economy is a world that includes economics as one of its components in its own right. The modalities of this inclusion and the forms of intervention and representation of economics vary, both in time and in space. The economy obviously existed before economics became a formal academic discipline, but this does not mean that we went from a state of non-reflexivity to one of intense reflexivity, monopolized by a small number of academic researchers. Any concrete economy is reflexive; the only change is in the social organization of reflexivity. The history of auctions is a good example. Their origins probably go back to the dawn of time. Their conception and the innovations constantly spawned by their organization, attest – if ever it were necessary – to the ability of the actors themselves to explain their practices and deliberately to alter them. But it is obvious that in recent years their capacity for reflection, representation and intervention has increased spectacularly (Muniesa 2003; Guala 2001). I think a few preliminary remarks will be useful to define the outline of a work

⁴ This is what Coriat and Weinstein highlighted in the following phrase: “A market is a lasting system governing relations between a changing set of actors”, Coriat, B. and O. Weinstein (2004). “Institutions, échanges et marchés.” *Revue d'Economie Industrielle*, (107): 37-62.

program designed to describe and analyse this increasing involvement of economics in the conception and experimentation of concrete markets:

* The term economics should not be considered in a limited sense. Disciplinary divisions are certainly essential, and it is important to respect the boundaries between specialities, not to mix accounting and econometrics, game theory and the analysis of general equilibrium. But it is even more important to plunge these disciplines, specialities and scientific and technical communities back into the networks in which markets are conceived of and transformed, that is at least into the markets themselves. The concept of a network, taken in a very general sense, is useful because it does justice to all kinds of flows linking actors and their competencies, but also because it is open to and compatible with all possible organizational architectures and with the iterations and collective dynamics required by this work of conception and implementation. Economists and marketing specialists who live in university departments *are stakeholders in the markets* they study, simply because they are in networks connecting them to the CEO, to the employees (sometimes!), to bankers, trade unions, social movements, etc. They are *stricto sensu* market actors. The fact that they do not play the same part as the others is obvious (and depends mainly on their place and role in these networks), and in itself constitutes an interesting subject of investigation.

We can agree to use the term *economics at large* to refer to all the activities, whether academic or not, engaged in these networks and aimed at understanding, analysing and equipping markets. This is why, somewhat provocatively, I spoke of the embeddedness of economies in economics. The expression was intended to highlight – strikingly I hoped – these entanglements, this web of relations and, above all:

- a) the idea that economics, in its academic version, should not be considered *a priori* as lying outside its supposed object (concrete markets)
- b) that economic agents, whoever they are, are generally reflexive and can be considered as economists in the wild (on the notion of researchers in the wild as engaged in cooperative work with confined researchers see: Callon 2003)
- c) that the modalities of cooperation between these different types of economists (academic researchers and researchers in the wild) constitute a subject of investigation. To study the relations between this economics at large and the market that it helps to analyse and on which it acts, the only strategy is to follow the web of links and relations and not to consider *a priori* that it lies outside its object.

Several chapters of *The Laws of the Markets* do depart from this methodological precept (they are there to document the processes of framing and overflowing, entanglement and disentanglement). In my opinion the articles of Hervé Dumez, Frank Cochoy and Peter Miller, among others, showed the fecundity of this point of view. Since then there has been a proliferation of contributions.

* The involvement of economics at large – we could talk of economists at large – is becoming highly visible. In other words, economic activities and markets, defined as technico-economic networks, include a growing number of actors concerned in some way by the analysis, equipment and shaping of markets. It seems that Miller agrees on this point – as the book that he edited with James Carrier attests (Carrier 1998). Evidence of the trend abounds: colonization of international organizations and regulatory bodies by economists from the academic world or close to it; development of academic specialties directly related to the emergence and conception of new forms of organization of markets (for instance studies devoted to the microstructure of financial markets); even work related to the

conception of auctions in increasingly diverse areas and, more generally, to the growing use of experiments oriented - as Francesco Guala shows - more towards the building of markets than towards the testing of theories (Guala forthcoming). Likewise, the formulation of rules of corporate governance and the conception of public policy tools (with agency and contract theory) are gradually being transformed into a field for the application and experimentation of economic theories (Laffont 1988). Entire economies, for instance those of Eastern European or South-East Asian countries, are explicitly considered to be laboratories. These sketchy observations are nevertheless superficial. They leave the question of the effects of this growing involvement of economics in the economy open. But if we take them seriously they prompt us to develop the analysis of webs of entanglement woven by the different actors participating in the performance of markets. Everything done in the sociology and economics of innovation, in Science and Technology Studies (STS) and, more generally, in the tradition established by Foucault, can be mobilized to understand the specific role of the social sciences in the conception of new arrangements and of the subjectivities that they impose, and to monitor the effects that they produce on the construction of economic markets.

* What is the role of neo-classical economics in this process of configuration-reconfiguration of concrete markets? The modalities and effects of its involvement vary, depending on the sector or the territorial space. If we characterize this current of thinking by the hypothesis that any collective can be considered to be composed of individual actors with their own preferences (or functions), capable of calculating (in the broad sense) their decisions and choices, it is not wrong to say that neo-classical economics occupies a key position. The anthropology characterizing this economics (and that I propose to call neo-classical anthropology to highlight the fact that any economics is an anthropologies), which sees any individual as an autonomous subject capable of intentions and a free will, responsible for his or her acts, is becoming pervasive. The question is no longer 'Is this anthropology true or false?', but 'Is this anthropology able (Where? How? For how long and in which spaces?) to perform, to enact, a reality corresponding to what it says?' This type of question, that may seem strange to a positivist mind, becomes meaningful when we accept the conception of agency presented above. The forms of agency are variable and, to some extent (but only to some extent), plastic and adjustable. Not everything is possible, but there is no universal rule to indicate *a priori* what is possible and what is not. What is possible is determined in the test of performance: anthropology, like any science, is theoretically open to these tests; it should even initiate them and strive for them. In other words, we need to ask what the cost is, in terms of practical operations, for this neo-classical economics to gather the instruments, prostheses and devices needed to constitute the *agencements* required in the emergence and survival of the very particular (and highly improbable) agencies that it promotes. To be complete the question has to be taken further by extending the inquiry to the forms of encounter between the agencies thus defined (algorithmic configurations), and to the strict separation between entities considered to be non-humans, that can be transformed into merchandise, and entities qualified as humans, who are allowed to produce and to trade that merchandise.

The work of Timothy Mitchell (2002), Janet Roitman (2005), or Julia Elyachar (2002) on countries and economies of the South and their entanglements with those of the North, admirably describes the investments required in the construction of individual agencies that fit the models of neoclassical anthropology. They also show up the role of this anthropology in the formatting of encounters and the framing of humans/non-humans that allows the 'liberation' of merchandise. This anthropologies' capacity for performance is variable or, in

Austinian terms, its felicity conditions are by no means always united – if only because there are other contenders, thank God! The principle of symmetry reminds us that we have to bear in mind that other projects of other agencies exist (whether they are developed by confined social scientists – academic economists, anthropologists, sociologists, etc. – or in the wild – by regulators, international bodies, ministries, consultancies, lawyers, etc.) and that they may be successful or try to be. If I were asked for a brief assessment, I would say that the scales were currently tipped in favour of neoclassical anthropology and the institutions and material devices that it requires. As the domination of this anthropology increases, it becomes more capable of gathering the resources to set up a world, that is, the *agencements* that make it possible and real. What worries me most – and this comment is intended to show my non-neutrality – is the growing combination of neoclassical anthropology and biosociality anchored in genomics. As social scientists like Deborah Heath and her colleagues (Heath, Rapp et al. 2004), or Paul Rabinow (1992) have clearly shown (and Vololona Rabeharisoa and I are trying to develop this approach: Callon and Rabeharisoa 2004), genomics and proteomics powerfully contribute towards the enactment of such agencies, that is, the performance of the individual Western agent with the particular forms of subjectivity that it implies. To put it bluntly, neoclassical economics and genomics have both the somatic and the extra-somatic resources that make the proliferation of the Western subject possible – and ineluctable?

* There is no reason for the anthropology of (the) econom(y)ics to limit itself to neoclassical economics. The latter has certainly acquired a privileged position, but in certain areas such as the economy of innovation and related issues (patent law, conception of public research policies, etc.), evolutionary economics *à la* Schumpeter, Freeman or Nelson-Winter is omnipresent and influential. Without wanting to go too far, I would add that certain heterodox or even radical currents could (and sometimes do) develop connections with alternative experiences, in the field of the solidarity or social economy. In any case, in order to describe the work of economics at large and the different forms of its participation in the organization of concrete markets, most of the investigative work remains to be done. We will probably find that alliances between social scientists (including economists) and agencies in the wild proliferate. I will simply cite a few examples that are starting to be amply documented. First, intellectual property rights which, nearly ten centuries ago, founded a *de facto* and *de jure* anthropology that the social sciences subsequently developed further. In the enactment of the neoclassical version of homo oeconomicus, this issue is crucial. We are currently witnessing the formation of practices and the construction of theoretical arguments that propose new modalities of attribution of rights. Examples include open sources, patents on drugs or genetic material, but also increasingly virulent criticism of practices such as micro-credit or micro-enterprises. Another example is provided by recent debate on the movement initiated by Hernando de Soto (Mitchell forthcoming). Hybrid forums on property rights are emerging, in which these opposing anthropological conceptions all strive to promote different *agencements*. This work is both practical and theoretical, abstract and concrete. The controversies are not between true or false conceptions of the reality of societies and human nature, but between different anthropological projects struggling to impose their conceptions and the implementation thereof. In these confrontations and their outcome, the capacity to test these conceptions, to enhance them and to transform them through experiments obviously plays a key part. The opening of these experiments and the easy access to them by groups in weak positions, relate back to the broader question of technical democracy.

Social critique

The objections raised by Miller concern another issue, that of critique. I would like to define my position in this respect, as it will enable me to clarify both the content and the implications of the disagreement. Luc Boltanski and Laurent Thévenot – in a book highly celebrated in France – suggested replacing a critical sociology with a sociology attentive to the critical competencies of the actors and especially to their capacity to justify their behaviours and their choices when these are criticized by other actors (Boltanski and Thévenot 1991). Boltanski and Thévenot note that these justifications are generally borrowed from social scientists or philosophical works that have become common knowledge. They thus highlight the interactions and collaboration that can and must take place between intellectuals, academic scholars and actors. I share this point of view. I consider that social scientists don't have special access to a truth that would be inaccessible to actors themselves. They have no particular legitimacy to say what the sense of history is, who the dominated and the dominant are, or which points of view are morally just.

The challenge for the social sciences is not to attain knowledge that provides a frame into which the actors fit and that indisputably imposes on them the definition of true and false and hence of good or bad. The challenge is to enable all the differences to be deployed, and to be attentive to the conditions allowing their comparison and evaluation. It is out of the question, for example, to say that neoclassical anthropology is false and consequently morally unjustifiable, or to consider that it is true and good. This applies to all other forms of theoretical and practical elaboration. The role of the anthropology of (the) econom(y)ics is, I believe, to make these anthropological struggles explainable in their theoretical and practical dimensions, by identifying and revealing the forces that, in a more or less articulated way, challenge the dominant models and their grip on real markets. This requires a certain form of agnosticism. For example, it is out of the question to consider that consumers, as such, have the key to future changes in capitalism, and consequently to propose a general construction that shows consumption as a force of negation. This “cup final” or “super bowl” between production and consumption does not correspond to the multiple power struggles erupting all over the place around the practical realization of different and sometimes contradictory anthropological models. It is because economics is an anthropology of the economy, engaged in the transformation of the world through a network of alliances, that it is a political anthropology.

My feeling is that our work is to contribute towards the process of revealing the reluctances, the multiple and changing fronts on which the different competing theoretical and practical anthropologies confront one another. I don't believe in a form of war in which the opposing forces manoeuvre like Roman legions and where the clashes between the clearly contradictory interests are head-on. It would be preferable to talk of guerrillas, infiltrations, changing coalitions and a multitude of shifting front lines. Through our attention to details and small differences, have we not become experts of these clashes and tensions, so often denied or ignored yet – at least for some – filled with possibilities and with differences that will end up counting? Anthropology in action, the one that advocates the anthropology of (the) econom(y)ics, is deployed in arenas that steer us far away from the world of social classes, new social movements and primary and secondary contradictions. It consequently highlights the importance of procedures and material devices needed for actors in positions of weakness to develop and experiment with their anthropology. An anthropology of (the) econom(y)ics that claims to be critical should study these devices intended for all Davids dreaming of ousting Goliaths. How can one ensure that the success of Linux and its anthropology of applied econom(y)ics, which is causing Microsoft so much concern and

forcing it to alter its strategy, does not remain a miraculous exception served by exceptional circumstances? Answer: by facilitating access for all anthropological programs (be they neoclassical, evolutionary, institutionalist, ANTist, pragmatist, theoretical or applied, proposed by academic researchers or researchers in the wild) to the experiments and evidence required for their implementation, evaluation and adaptation; in other words, by establishing a right to experimentation and to discussion of the results obtained. This implies that the agencies which do not have the required tactical competencies, nor the adequate material and discursive resources and social relations, obtain the compensation and aid needed to avoid a premature disappearance. We can now see why the agnosticism mentioned above cannot lead to theoretical and moral relativism.

2. VIRTUALISM SHARES NONE OF THE CORE ASSUMPTIONS UNDERPINNING THE PERFORMATIVITY HYPOTHESIS

Based on this admittedly schematic presentation of the core assumptions of the anthropology of (the) econom(y)ics, I will now show the distance separating Miller's hypotheses from mine.

Miller's position on agency

I have tried to show above how the understanding of the nature of the effects of economics on the economy depends on the agency theory opted for. It seems that Miller does not share this conviction. He does not consider the problem of the definition and characterization of agency as central, at least not in the papers that discuss my positions. The actors that he brings into play are those usually studied by the social sciences. We find individual actors and collective actors (e.g. social classes) framed by institutions, values, worldviews, interests, etc. Nothing is said or even suggested about the place of materiality, about socio-technical *agencements* and consequently about the possible shaping of agencies who must be seen as susceptible to be (re)configured and built up. This explains what in my opinion is one of the weaknesses of Miller's framework of analysis. For him, economics can impact on actors only by influencing their worldviews or values. In the program that I propose the idea that economics can have an influence on behaviours or worldviews is meaningless. I don't think that norms, values and conceptions of the world can be made autonomous in order to establish them as intermediary variables through which abstract economic theories could act upon real economic agents. My question concerns the production of agencies and the spaces in which they circulate and meet, and particularly the role of economics at large in that shaping.

Kapitalist markets as abstract machines

According to Miller, concrete markets can be analysed only with reference to **Kapitalism**⁵, a reality that is assumed to be homogeneous and in a sense monolithic, made of the same substance (Miller 1998). Apart from their observable diversity, they possess a unity derived from the logic of Kapital. This logic obeys the laws of dialectics; it is made of contradictions, the resolution of which explains the structural transformations of Kapitalism and the different phases through which it passes. Miller thinks that Kapitalism has entered a new phase. The main contradiction has shifted: it is no longer within the productive sphere between those who sell their labour and those who own the means of production, but

⁵ I call Kapitalism this old dialectical conception that unifies capitalisms.

between consumers and producers. The former, instead of being alienated by the cold and universal logic of Kapital, divert it by locally producing, as they consume, the significations and values enabling them to assert their identity (Miller shows how Trinidadians re-qualify Coca-Cola). For Miller one of the tasks that neoclassical economics has taken on (or that has been entrusted to it?) is to curb the threat that consumption is causing to weigh on the future of Kapitalism. In order to do so it produces virtual consumers, abstract beings supposedly capable of choosing, of being autonomous and rational; neoclassical economics uses its power to substitute virtual beings for real consumers. The latter are thus trapped in an illusion: they end up believing that they are the virtual consumers of economics textbooks and not the real consumers that were a threat to the Kapitalist machine. They find themselves helpless just when they were going to bring about a new world.

This illusion is dangerously effective because based on the recognition of a real fact of which it gives a false description. It affirms that consumption plays a key part in the dynamic of capitalism, but replaces real consumers, who represent a force of negation and subversion of capitalism, with virtual ones who make free choices for which they are responsible. The position of strength of consumption is thus affirmed, but it is simultaneously emasculated. Instead of being the force that is going to subvert cold and abstract capitalism, it is itself transformed into a cold and abstract force. Since consumers are free, they like what they consume. How derisive: consumers are crowned kings of a state that they were supposed to abolish. Neoclassical economics is thus instrumental in rescuing capitalism by helping to make it even more abstract and cold. For real capitalism it substitutes a virtual capitalism that disarms its opponents.

It is because neoclassical economists wield considerable power in institutions and especially international ones, that they are able to make people believe in this virtual capitalism, that is, a capitalism that resembles the real capitalism but that is not the real thing since it has been emptied of all the relations of domination and exclusion that allowed its functioning and reproduction. Carrier systematized this analysis by noting that this evolution towards more abstraction is at the heart of the history of Kapitalism (Carrier 1998). The capitalist machine continues its mad race and on its way destroys neighbourhood relations, empties family relations of all substance, and undermines the bonds and feelings binding people together. The latter infamy is no small matter. After transforming relations between people into relations between things, here Kapitalism is replacing real humans by virtual ones. And in this process of evisceration, neoclassical economics plays the part of the great anaesthetist. Neo-classical economics is consumers' opium. If they are drinking rum and Coca-Cola it's because they have rationally decided to drink rum and Coca-Cola. This capacity to beguile, to steer dominated economic agents into a world of illusions where they lose their souls corresponds to the resources and positions of power granted to economists to carry out their dirty work.

Underlying this analysis is the basic assumption that the human mind can be misled, that its conceptions and views of the world can be altered or reconfigured by other conceptions and other views that are, in a sense, projected into its mental sphere. The brain of the social human being – the consumer is simply a particular case – is like clay deformed by pressure. It can be reprogrammed at will, provided that enough resources are mobilized and that the new program is connected, at least superficially, to the experiences of the individual in question. A person can be alienated by anyone with enough skill and influence. The honest – meaning scientific – anthropologist or sociologist is there to restore the truth and save the consumer from alienation.

I would add that Miller is in good company in this denunciation. A similar approach is taken by Luc Boltanski and Eve Chiapello (1999). For them, Kapitalism is also a cold and abstract machine that lives by one law only: accumulation. To survive and find new legitimacy, it has to find a new spirit since the old one is worn out. They see the solution conceived of by Kapitalism as unstoppable: it consists in absorbing social critique, in diverting it to turn it into the principle of its own functioning. It is not academic economists but consultants and management advisers who do this dirty work of “recycling”. Like Miller, Boltanski and Chiapello consider that as Kapitalism develops it becomes ever more abstract and impersonal, in short, inhuman. Miller maintains that it is saved just before the final gong by neoclassical economists’ sleight of hand. Dressed in their magician’s cloaks, trained in good schools, they manage to make consumers believe that they have no soul and are happy for it. Boltanski & Chiapello choose a less acrobatic solution. They prefer to give a soul to Kapital (it would be as difficult for Kapitalism to live without a soul as for Peter Schlemihl to live without his shade!) but one that is openly stolen to social critique. In both cases a cold and abstract monster survives by trafficking in souls or minds.

Disagreements

Miller is right to say that we ask the same questions and that our answers are similar on a number of points. We both claim that, in order to understand the course of the economy, economics cannot be ignored or underestimated. We both posit that economics has a tangible impact on the economy. Yet he is right that, apart from a vague resemblance, our answers are incompatible and opposed. Now that our core assumptions have been presented and discussed, it is time to present a synthesis of these disagreements and of the perspectives opened by each of the two programs.

* I refuse the reduction of the economy to a tragic face-to-face between production and consumption. As said before, markets include a large number of actors and *agencements* that multiply the gaps, differences and disagreements. Unlike Miller and Boltanski & Chiapello, I don’t believe in *A Kapitalism* that could be reduced to *AN* impersonal logic. Go back to Fernand Braudel and the distinction that he makes between Type A and Type B markets. The markets that are the most ‘abstract’ – if we insist on this term – are, he tells us, pre-capitalist markets, whereas capitalist markets need rarefied personal relations.⁶ My reasoning is similar to Braudel’s, but also to certain analyses by Edward Chamberlin or François Perroux. The capitalist form of the economy assumes an organization of markets in which there are both calculative agencies (equipped and formatted to calculate profits, maximize shareholder value, reduce production or distribution costs, etc.) and the controlled rarefaction of relations and encounters between agencies, obtained primarily by singularizing goods and setting up systems of circulation of agencies and goods that in reality are *captation* devices (Cochoy 2004).⁷ Braudel thus notes the mistake we would be making if we were content to take up preformatted categories like ‘consumers’ or ‘producers’ which have the effect of rendering the functioning of real markets invisible. What makes concrete capitalist markets function is precisely the multiplication of intermediaries and mediators of all kinds; in short,

⁶ It is amusing to see that the famous strawberry market studied by Garcia is now controlled by a few large distribution groups that, as faithful disciples of Braudel, have established close personal relations with producers in order to control the commercialization of their production.

⁷ This is another way of saying what all informed analysts have repeated: monopoly is the modality of normal functioning of capitalist markets.

the proliferation of agencies (including economists at large). In an economic world in which the great divide between production and consumption reigned, consumers would be incapable of producing meaning and acquiring goods, and producers would be incapable of conceiving of and producing goods attached to consumers.⁸ The idea of A CONTRADICTION and of the dialectic that it is supposed to fuel consequently evaporates. It is replaced by a multiplication of differences, gaps, displacements and translations, that is, asymmetries and the relations of domination that they sustain. These, as I have shown, are produced by *agencements* and devices that produce as many attachments as detachments, as many entanglements as disentanglements. The Kapitalist machine blows hot and cold, for to function it needs both: the heat of consumers in Trinidad and the cold of neoclassical economists from the World Bank. The heat of values and the cold of calculations aren't distributed in different camps; as more and more studies confirm, they are in each asymmetry. They are the substance of relations between agencies that may spend their time calculating, but calculating values. It is into the calculations of values, as Fabian Muniesa and I have shown, that relations of domination creep in. Positivity and negativity – if we insist on these notions – are everywhere.

This type of description obviously produces a great deal of complexity, yet it seems more realistic and effective. The reversals of balances of power can come from anywhere and especially from sites on which the circumstances are favourable. They can then propagate via the transporting and transposition of solutions conceived of in one place. The case of intellectual property seems to provide a good illustration of these mechanisms: multiplicity of fronts, possibility of locally modifying balances of power, then extension and adaptation of the solutions conceived of. And then, inexorably: new differences, new asymmetries, etc. To accept this approach, one has to forget about Cold War politics and the dialectic of history. Or, to put it in Marxist-Leninist terms that have some echoes in Miller's writings: secondary contradictions cannot be related to any main contradiction because they are nothing but secondary contradictions or rather – for the word contradiction encourages intellectual and practical laziness – problems to solve. The Scandinavian compromise (Miller holds in high esteem the Swedish welfare state), like yesterday's Chinese radicalism, may have been considered as an attractive solution during the Cold War that offered only two options, but those times are passed.

* Economics and especially neoclassical economics cannot be considered to lie outside economic activities; it is a stakeholder in those activities and contributes, in ways to be studied, to their construction and their shaping. To account for the effects of economics on the economy, it is necessary to plunge it back not only into the economy but also into what I have called economics at large and all the mediations that it organizes. It is also necessary to substitute socio-technical agencies for the human agents whose brains are embedded in the worldviews or norms guiding them. This substitution is enough to make the notion of virtualism worthless. All that remains are the power struggles between agencies and the (possible) contribution of the social sciences, irrespective of their field, to the (partial) shaping of those struggles. This reversal of the perspective has the advantage of not *a priori* excluding the eventuality of a neoclassical economics (but this also applies to other economics) capable in certain places and for some time of producing (provided it has alliances) markets inhabited by individual, optimizing, selfish calculative agencies that impose their mode of calculation on other less well-equipped agencies. It is too easy to get rid of neoclassical anthropology by turning it into a new religion in which economists are the

⁸ The originality of Schumpeter in the history of economic thinking is that he placed intermediation at the centre of the analysis: *entre-prendre* means linking up to have a better grip.

priests (Miller 1998). No, economists are not builders of virtual empires, no more, I dare say, than are priests! I can't resist referring here to the remarkable article by Petter Holm (Holm submitted). This work is particularly relevant in that it allows a comparison between the two programs, since Carrier and Miller's book includes a chapter on the subject treated by Holm: the establishment of individual transferable quotas (Hekgason and Palsson 1998). Petter Holm shows that once all the scientific, material, technical and institutional investments have been made to transform the sea into an aquarium and the wild fish into a cyborg fish, the ground has been cleared for the conception and construction of a market in which fishermen can be transformed into selfish individual economic agencies. These agencies correspond so closely to the definition in first-year economics manuals that they don't hesitate, against the government's advice, to claim the tradability of their quotas! There's nothing mysterious about this anthropological metamorphosis. The world has been shaped by squads of scientists, engineers, jurists and international bodies to host this new human species. Thanks to the cyborg fish the fisherman-homo-oeconomicus can live and, in some cases although not all, live well. This example shows why we need to avoid the vocabulary of virtualism that contrasts a fantastic world with the real one. Neoclassical economics can have a grip on the economy and transform its content and practices: as Holm says, it makes differences. It is because Miller puts the material world into parentheses that he plunges into the virtualist hypothesis.

3. WHO IS REALIST?

One nagging question remains. Why does classical economics have this power, while Miller the sociologist (I presume) and Callon the sociologist (I'm sure) have so much trouble keeping together intervention and representation? On this point our answers also diverge. It is our conceptions of the critical role of the social sciences that are at issue.

For Miller, going from virtualism to performativity is a retreat. Virtualism seems to have the merit of putting big politics at the centre of the analysis and preoccupations. Reference is made to capitalism, dialectics, the meaning of history, the alienation of consumers. Rumours can already be heard about the struggle being prepared between the world of the exploited and the (small) world of those who exploit them. And, as Althusser said, this struggle is carrying on within the academic world. On the one hand we have the neoclassical economists who play the game of the big corporations and participate in the reproduction of capitalism; on the other, sociology and scientific anthropology that denounce domination by showing its effects and thus give arms to the weak. By pretending not to see that neoclassical economics beguiles consumers, by absolving it of its crimes, Callon has chosen his camp, that of the strong side, and sold his soul (one more) to the Kapitalists.

Faced with virtualism and its morality based on scientific truth, the performativity programme seems strangely weak. It shows the complexity of market devices, highlights the differences between markets, describes agencies and their asymmetries in detail, and studies the technicity of algorithmic configurations. By entering the black box – instead of studying broad trends – is it not likely to create a diversion, to by-pass the essential, to make the vast landscapes, the big asymmetries, everything that decides on the fate of each individual, invisible?

I don't think so. The construction of agencies, of spaces in which they meet and of the boundaries between things and people reveal the micro-differences that end up being more

important than the supposed macro-contradictions. The reason for this assertion can be found in the analysis of irreversibilities, path dependency phenomena or socio-technical lock-in. Irreversibility, especially in power struggles and asymmetries of resources, but also the kind that entails the hardening of identities and interests, is constructed from 'small events', little gaps, local innovations, limited reconfigurations. Elementary models can be used to represent these trends. But the notion of irreversibility can be misleading. It is better to talk of processes of coupling between lock-in and lock-out. Evolutionary economists and network analysts have shown how to get out of a situation of lock-in. They have also studied the conditions in which a diversity of configurations can be maintained. These analyses are worth generalizing. Force is acquired through weakness or, rather, by successive compositions of small weaknesses, reversed one by one and not in one fell swoop. Strength is the outcome of a long process of accumulation, weaving of alliances and relations, from micro-positions constructed first as little gaps or differences lodged in the interstices of existing configurations. The examination of these small differences is consequently theoretically important and practically strategic. It seems that because it gives access to the shaping of relations of weakness, the concept of performativity enables us to understand local shifts and reversals, the translations and reconfigurations that extend them and, more particularly, the possible and real role of economics at large. On the other hand, by ignoring the details, the materiality of agencies and their possible reconfigurations, the virtualist programme is condemned to be blind to path dependency and paths leading from local to global. The performativity hypothesis enables us to think the multiplicity of modalities of concrete engagement of the social sciences in the dynamics of power struggles, whereas the virtualist point of view gets rid of the question without further ado since it provides a ready-made answer: neoclassical economics has no function other than substituting a virtual world for the real one.

The performativity programme makes perplexity and ignorance a political and moral virtue. The virtualist programme claims to state true and false, and therefore good and bad: the strong are strong, that's the truth, and because they are strong it is necessary to denounce and weaken them, that's what is good. I'm sceptical about the realism of the virtualist programme because I don't think that one can make the strong weak to replace their world by a fair one based on a real vision of what human relations ought to be. Nor do I believe that consumers are in the proletariat's position, bearers of this new world that history must beget. I don't know if the consumer class exists, and I don't see why producers, distributors, consultants, social scientists and civil servants should stand back for them. The only thing that I do know is that it is necessary to produce the conditions in which new emerging forces are offered the possibility of becoming stronger, to limit the grip of established forces. Might the honour of the social sciences not, very modestly, be: a) to make visible and explicit the differences and asymmetries constantly being constructed; b) to militate for the establishment of procedures allowing the recognition of these differences, their expression and the realization and testing of the programmes that they defend. It is at this price that new forms of organization can emerge, be tested, evaluated and finally implemented.

I think that, fundamentally, what separates Miller and myself is not the idea that the social sciences can help to transform the world; it is the strategy with which to achieve that. Miller thinks – at least as I interpret him – that anthropology aims to tell the (almost whole) truth on man in society, and that by telling that truth it combats the illusions masking the strength of the powerful. I, on the other hand, think that anthropology can only participate, along with the actors, or rather with certain actors in a position to produce small differences, in showing that other worlds are possible and that humans in society (in markets) have multiple and

uncertain forms that emerge through trials. It is up to social scientists to recognize the moment when, still fragile and enigmatic, they appear.

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**TEN THINGS YOU ALWAYS WANTED
TO KNOW ABOUT ECONOMIC SOCIOLOGY
KARIN KNORR CETINA ANSWERS**

Karin Knorr Cetina received her PhD in cultural anthropology in 1971 at the University of Vienna. She is a professor of Sociology at the University of Konstanz, and a professor of Anthropology and Sociology at the University of Chicago. Since the 1980s, Knorr Cetina has been a leading scholar in the sociology of science. Since the late 1990s, she has also been studying financial markets extensively. Her two most recent books are Epistemic Cultures (Harvard University Press, 1999) and The Sociology of Financial Markets (edited volume, together with Alex Preda; Oxford University Press, 2004).

1. How did you get involved in economic sociology?

I have been interested in financial markets for a longer time, at least since 1992 when I was in Princeton and avidly read the *New York Times* (the real reason why I like to go the States!). I noticed that financial events (trades, takeovers, mergers, etc.) quite frequently appeared on the front page, and the language used seemed to invoke utopian conquests and invasions, raw emotions, and the market as a maker of things and a living being. I got the sense that something was going on there that pointed beyond Marx and his ideas about the economy as the productive infrastructure of society, and this something was beginning to define our life. So one answer is I became interested in where our Western societies were going. Another answer is I was seduced by good stories in a good paper.

When I got back to Europe I had no time for a study, I was still finishing my Epistemic Cultures book. But my interest got reinforced by Alex Preda, who joined my group in Bielefeld and was equally fascinated by markets, and a little later by Urs Bruegger, himself a former trader, who got me on his trading floor. I have been hooked ever since.

2. Could you name books or articles that have profoundly influenced your own thinking within economic sociology?

It was first immersion in practice—the intense experience of the trading floor of a top global bank—that influenced me. I came to the field of economic sociology only after this experience, and naturally, I was looking for accounts of the sort of global markets I saw. What I found pointed me to a number of people to whom talking was immensely stimulating—Viviana Zelizer in Princeton, Mitch Abolafia when he visited Bielefeld and Berlin, Charles Smith who is so much of a trader himself that he can talk for days about markets. Richard Swedberg's work became important - he is such a good synthesizer of everything - and, on the economic side, Keynes on credit and Hayek on knowledge dispersed in markets. But often it was the close contact with other enthusiasts, including recent PhDs, including Herbert Kalthoff who was part of this first group we had in Bielefeld, Olav Velthuis when he was in Konstanz, and of course Urs Bruegger, who influenced me. We

took to organizing small insider conferences quickly in this area: Alex Preda and I did one in Bielefeld in 2000 and in Konstanz in 2003; David Stark and Daniel Beunza did one at Columbia University; there was one organized by Timothy Mitchell at New York University; several colleagues organize one at the London School of Economics this coming June. These meetings were immensely important.

3. How do you explain that across Europe people active within the sociology of scientific knowledge, such as you yourself, Michel Callon and Donald McKenzie almost at the same moment turned to studying (financial) markets?

It may just be a coincidence. When Michel and I were both in Princeton in 1992, I think we fought mainly about actor-network theory and did not talk about financial markets yet. And he does something very different, as does Donald. In my case, my work on high energy physics at CERN drove it home to me that globalization was present in labs and that one could address it through ethnographic work. Globality and the seeming similarity between a lab and a trading floor were the initial bridge between my science work and the financial markets work. The knowledge aspect of financial markets turned out not to be such a great bridge: the information knowledge practices I find in my foreign exchange area have very little similarity with the epistemic practices of physics or molecular biology.

4. How does the sociology of financial markets differ from new economic sociology, i.e. the Granovetter tradition?

This is easier. The new economic sociology sees the economy more in terms of production markets that are often equated with interfirm relationships. This line of thinking can be traced back to Granovetter's important emphasis on embeddedness in terms of social relationships and to Harrison White's work and students. Thus while economists left production and the labor theory of value behind and took the stock exchange as their point of departure when they developed the neoclassical model, the new economic sociologists made just the opposite move when they returned to studying the economy in the 1980s—they predominantly focused on producer markets, taking the firm as a point of departure. Production has played an important role in sociology's understanding of industrialization and capitalism, and the focus on the producer side in economic sociology is continuous with this understanding. Financial markets are not production markets, and financial activities raise their own, quite different questions. These have to do with the second order status of these markets, with the activities at their center, that is with trading and speculation, with the role of circulation and information, for example with the phenomenon that what one is really dealing in in these markets frequently is information. The economy has often been defined, by economists and sociologists alike, as the area of production, consumption and (social) distribution. Production leads one to organizations, stable roles of producers and consumers, labor relations, commodities, regulation. The financial system controls and manages credit. It leads one to instantly changing positions of buyers and sellers, to the role of intermediaries and exchanges, and to the constitutive role of technologies in enabling global markets. If you put the firms that participate in financial markets in the center of attention, you risk reducing the sociology of markets to the sociology of organizations. I believe in a version of Zelizer's multiple market hypothesis, that is the need to differentiate between types of markets. The sociology of financial markets has only just begun to do this systematically. Happily for this

stage, there is no dominant approach. If anything unites students of these markets, then it is perhaps a desire to try and understand the core of financial activities

5. What do you see as the main differences between economic sociology in Europe and in the United States?

I don't like to construe differences between Europe and the US. I cross the Atlantic regularly, and I think geographical or worse nationally coded distinctions make no sense when you are confronted with global corporations, global trade and global finance. In the area of financial markets, I see no difference in approach, or thinking, between my colleagues in Europe and those in the US.

To be fair, however, one has to add that the new economic sociology arose in the US, and has flourished until recently mainly in the US. For that reason, you find paradigmatic approaches like the "structural" or network approach I mentioned, or the one spearheaded by Zelizer on the cultural dimensions of money, well developed in the States. Scholars in Europe have been and are right now much more concerned with coming to grips with changing economic policies and the retraction of the welfare state. Since there were more developed welfare state models in Europe, and the changes often stand in conflict with what social scientists believe, and funding agencies reward reflection on the changes, I predict that "European" economic sociology will continue to remain focused for quite a while on these macro-issues. Perhaps the only ones who will resist this tendency are scholars trained in science studies, because they are used to go for the center, so to speak: they want to open the black box of economic and financial practices. But you will notice that some of these scholars did important work in the US, and they work all over the place.

6. Is it important for you to establish dialogue with economists, and if so, what are feasible strategies to accomplish that?

I find such a dialogue quite important. More and more economists appear to be interested in some kind of exchange: think of all the behaviorally oriented subfields of economics that have emerged in the last decades. I think these economists secretly read the sociological literature! And if no dialogue develops, we should simply also secretly read the economic literature. If you want to study financial and economic systems in our complex societies, and you don't pay any attention whatsoever to what economists have to say about them, you end up with the rather flat culturalist stuff that sometimes comes out of English Departments... I take this back of course, there are some excellent analysts (and good friends) in these departments. But you get my opinion.

7. Which countries/cities/universities do you consider to be contemporary strongholds for economic sociology?

Still the ones Swedberg described in some of his overviews: in the US Princeton, Columbia, Northwestern, Stanford. And England (Edinburgh, now also London), some areas of Germany (Konstanz, Cologne) and Paris (what else?). Hopefully we will put Chicago on the map, which it already is massively when it comes to economics and finance.

8. What are currently the main debates within the field according to you?

I don't see any strong controversies. Those who like to do network analysis may not quite see the point of the recent and older micro-studies of markets, but this is more of a latent thing. I use all research that tells me interesting things. Perhaps we need a challenger!

9. Do you think it is wise for young researchers in Europe to specialize in this discipline?

Yes. There is much to do. The new world Granovetter promised has to be broadly discovered yet. Only a few parts have been visited, and even these should be revisited.

10. Do you see any research topics within economic sociology that have so far been neglected?

Plenty of research topics beg to be studied. Comparative studies of markets are missing more or less completely. Pricing has been almost completely neglected. Most financial markets have not been intensely studied. Financial and Economic knowledge are vast areas that need to be researched. Central banks are hardly understood, though Abolafia is on to them. The list is open ended, and there is no prospect of our societies moving away from their financial and economic orientations.

INCORPORATING EMOTIONS INTO ECONOMIC SOCIOLOGY:

AN ANALYTIC TYPOLOGY¹

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Economists have by tradition eliminated emotions from their analysis, as Albert O. Hirschman argued in *The Passions and the Interests* (1977). Recently, however, an attempt has been made to introduce emotions into economics and sociology—both separately and together (for example, Barbalet 1998; Elster 1998; Heckathorn 1993; Loewenstein 2000; Massey 2002; Smelser 1998; Turner 2000). In this comment, I will synthesize a wide range of literature, so that economic sociologists may join the debates.

The existing literature on emotion and the social sciences poses more questions than answers and suggests fundamental problems that require solution. With the exception of research in the neurosciences (notably Damasio 1999), the path from feeling an emotion (the physical and the cognitive) to action is often under-theorized and under-empiricized. The central problem for social scientists is the identification of the social mechanisms that transpose a feeling state into an emotional action. While there are many important first steps in this direction (for example, Elster 1999; DiMaggio 2002), the answers are far from in. One way to get analytic purchase on these problems is to theorize the possible ways that emotions and events might interact. This comment presents a typology that I developed based upon a wide ranging reading in the literature. The model that I lay out in this comment aims at analytic clarity—a starting point from which to begin research and generate hypotheses. The distinction between predictability and unpredictability in social life lies at the core of my analytic frame. Some aspects of social and emotional life are ordinary and expected—predictable and routine. Some events are extraordinary and range from natural to man-made disasters to the serendipitous confluence of unexpected events that are an often unacknowledged part of the fabric of social life. Predictability and unpredictability characterize events and emotions and point to different ontologies of emotion as well as epistemological approaches to emotion within the social and natural sciences. *Figure 1* summarizes the discussion.

Emotion as an entity is natural and innate. This is not a controversial statement no matter what body of literature one looks to. History and culture, time and space, determine the expression of emotion and provide the epistemological categories by which we classify the varieties of appropriate and inappropriate affect. While the distinction between the ontological and epistemological dimensions of emotion may blur *empirically*, it is necessary to maintain the distinction for *analytic* purposes. The formal analysis that follows is trans-historical and trans-cultural. The specific examples I give are Western and euro-centric.

¹ A fuller version of the arguments presented here can be found in the Working Paper Series of Cornell's Center for the Study of Economy and Society available at:
http://www.economyandsociety.org/publications/working_papers.shtml

Figure 1. Action as Emotion and Event: An Analytic Typology

		EVENTS	
		<i>Predictable</i>	<i>Unpredictable</i>
EMOTIONS	<i>Predictable</i>	1. P/P	2. P/NP
	<i>Ontology:</i>	Nature	Equilibrium
	<i>Epistemology:</i>	Ethics	Calculus of rationality
	<i>Discipline:</i>	Moral philosophy	Economics/mathematics
	<i>Unpredictable</i>	3. NP/P	4. NP/NP
<i>Ontology:</i>	Culture	Emotion as Physical State	
<i>Epistemology:</i>	Institutions	Appetite, aggression, fear	
<i>Discipline:</i>	Sociology	Interdisciplinary Natural <i>and</i> Social Sciences	

The problem of action is at the core of all social analysis no matter what theoretical perspective one holds (Alexander 1982). Traditional rational choice theories strip action of context—culture and history. Action is usually discussed in terms of means and ends—as if all the things about which individuals take action were discrete units. But actions only take place in the context of events that are historically and culturally situated. Events range from the micro-level of dyadic interaction to the macro-level of collective action. Emotions as well as temporal and spatial phenomena (history and culture) of more or less complexity constrain decisions or choices about action. I sit at my desk writing this comment. My emotions are in equilibrium. I want to finish. I type away. Sitting at my desk writing is an event. Everything that happens in between is a choice about an unpredictable event—what words will appear next on the page!²

1. Predictable Emotions and Predictable Events

The old aphorism that claims that the only sure things in life are death and taxes has more than a ring of truth to it. Death and birth are the only truly predictable human events—although the timing of these events is deeply contextual. For both events appropriate affect is usually some form of sadness and some form of joy. The widespread trans-cultural presence of birth and death rituals attests to the emotional significance of these predictable events. Sadness at the death of a loved one and joy at the birth of a child are fairly predictable emotions no matter how they are culturally mediated. In practice of course if one harbored

² Writing is an event because presumably there will be an audience for this comment.

negative feelings for a family member or was confronted with an unwanted child one might feel joy at death and sorrow or anger at birth, but the principal point is that it is virtually impossible to feel no emotion in the presence of birth and death. In general, people cry at funerals and mothers report love at the first glimpse of their offspring. Birth and death represent the realm of *emotion and nature* that has most appropriately engaged *moral philosophy*.³ How *ought* we feel in the face of the great existential events. What actions *ought* we take? This value-ridden sphere lies outside the realm of sociological analysis that in general does not take moral issues into account.⁴

2. Predictable Emotions and Unpredictable or Contingent Events

To a certain extent even in a fairly stable society everything that happens is a contingent event. Individuals make a hundred minor decisions everyday about actions. It would be counter-productive and inefficient if they stopped to think about each of these minor decisions. Frank describes these minor decisions as *habits* and argues that they are important for the smooth functioning of social life (1987). One could argue that rational choice is a predictable emotion (or non-emotion) in the face of an unpredictable or contingent event. In the face of these unpredictable events, individuals make choices based on the principal of maximizing *utility*. Preferences exist independently of emotions and what is predictable is non-emotionality and rational outcome. The goal is the optimum means to the desired ends. At the extremes, the ends justify the means and *efficiency* trumps ethics. This is the realm of *economics and mathematical reasoning*.

3. Unpredictable Emotions and Predictable Events

Predictable events are events that are structured by institutions—institutions as defined by Parsons ([1942] 1954; 1951) as values embedded in mediating structures.⁵ Institutions that pattern events may be private such as the family (patterning love and marriage); or public, such as the market (jobs and organizations) or the polity (the states and citizenship). The legal system regulates criteria of participation or membership in these various institutional arenas. What is unregulated in the legal sphere is the range of emotional responses and correspondingly appropriate actions that individuals may engage within those institutional settings. This is where culture and emotion management come in. There are certain emotions, which are appropriate to each institutional setting. *Culture* is the governing frame and *institutions* are the structural support. Arlie Hochschild's (1983; 2003) work falls squarely within this category as does much of the research on sociology and emotion that her research has influenced.

From the vantage point of many of the issues raised in this comment, emotion managed is emotion short-circuited. Emotions may only be expressed if they are appropriate to the institutional framework in which they occur. Workers in the emotion industries, the flight attendants, sales persons, caregivers have to display emotion that is appropriate to their social role. They cannot dislike their clients. Emotion management is constitutive of all service industries. It is also increasingly a part of the now familiar term “corporate culture”

³ Nussbaum (2001) is the leading work in this field.

⁴ See Fontaine (2001) for a discussion of empathy and social welfare.

⁵ Camic (1990) published a historical account of Parsons' “Prolegomena to a Theory of Social Institutions.” As the literature on institutions in general is voluminous, this comment follows Parsons' discussion in his 1942 essay “Propaganda and Social Control” as well as Chapter Two of *The Social System* (1951).

where all members of the organization have to behave in emotionally pleasing ways (Flam 1990).

In most market situations, i.e., jobs, what is required is to keep the emotions (and appetite out) or what Parsons ([1939] 1954) described as “affective neutrality.” This is one of the reasons that nepotism and love at work, not to mention sexual harassment, are out of bounds. Although political and moral arguments are offered against these behaviors, they actually violate institutional norms because they mix public and private spheres leading to conflicts of interest and institutional disorder. They represent inappropriate affect in a market situation.⁶ This is why coordinating home and work, family and market, is more than simply a technical and legal decision about hours worked or dividing the household labor. These different institutional spheres have different cultural rules about emotion. Feminists as well as students of European welfare states have discussed these issues at length but not in these terms. According to the logic laid out in this comment, institutional arrangements with their culturally proscribed emotion rules have created what scholars have re-calibrated as gender inequality.

4. Unpredictable Emotions and Unpredictable Events

As methodological individualists, rational choice theorists tend to gloss over the institutional patterning of affect. Emotion, as an unpredictable feeling state, is troubling to their calculations because it introduces the possibility of instability and disequilibria. There is no easy way to predict how emotions will pattern action when both emotions and events are unpredictable. Yet whether or not one subscribes to rational choice models, the realm of unpredictable emotions and events has been the area where much of the current interdisciplinary social research is occurring—the area where the *social and natural sciences* intersect. When unpredictable emotions and events occur simultaneously, a state of disequilibrium occurs between the agent and his or her environment. This is the state of uncertainty where “gut feelings” or “visceral” reactions govern actions (Roemer 2000).

Within politics, violence is the core subject. Within economics, appetites construed broadly from their benign manifestations in consumption to their more malign forms, greed and addiction, are the core subjects.⁷ Appetites govern “irrational exuberance” as well as drug addiction. Appetites may be large or small but in general are unpredictable. I am 50 pounds overweight and diabetic but I cannot control my desire for cake. I go into a store—I cannot resist buying my 100th pair of shoes even though my credit cards are maxed out. These examples do not constitute unreasonable scenarios in the United States where personal bankruptcies due to overuse of credit cards abound and there is an emerging epidemic of obesity. Manning (2000) provides poignant narratives of consumers who lost the capacity to control their credit card purchasing and had to declare personal bankruptcy. Love and erotic attraction also falls within this category whereas marriage which falls into category 3 in *Figure 1*—the realm of institutions and emotions. American and European popular culture of all stripes suggests that love and dis-equilibria as well as uncertainty are of a single piece-- i.e, as popular American music of past eras suggest—who knows where or when, some

⁶ For a discussion of how these distinctions work themselves out cross-culturally in the realm of sexual harassment, see Seguy (2003).

⁷ The collection of essays in Loewenstein, Read and Baumeister (2003) discusses appetite on a variety of levels from the neurological to the legal and takes up issues of consumption, weight management, drug dependence and even—patience.

enchanted evening. The common Mediterranean European metaphor for falling in love—the thunder bolt—captures this uncertainty.

Appetites whether for food, sex or money, consumption items or even power can be large or small, disciplined or undisciplined (Watson 1999). Frank's (1988) example of family feuds reminds us how difficult it is to behave in a rational manner in the face of antipathies that cross generations. Excessively controlled appetites are as socially dysfunctional as those that are excessively uncontrolled—although the latter are more attractive subjects of research as well as popular interest. The miser is no more socially attractive than the profligate. Mean-spiritedness destroys the fabric of society by attenuating the possibilities of both cooperative and altruistic behavior (Monroe 1996).

By way of conclusion, it is clear that if economic sociologists want to analyze areas of economic life where economists have treaded lightly, they should pay attention to emotions. In doing so, as I have suggested in this note, they should be aware of the epistemological and ontological assumptions behind the broad, somewhat inchoate and very interdisciplinary literature that is developing around emotions in the social sciences.

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READ AND RECOMMENDED

RECENT LITERATURE IN ECONOMIC SOCIOLOGY

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Leibniz famously complained in the 1600s that he couldn't possibly keep up with the avalanche of new literature, so today's economic sociologists may with good reason feel that there is just too much material around. For this and other reasons, I very much welcome the suggestion of the editor for this Newsletter, Olav Velthuis, that from now on there will be a brief column called "Read and Recommended".

The first article I would like to recommend comes from a theme issue on economic sociology, to appear in the spring of 2005, of *Journal of Economic Perspectives*. One thing that makes this article something to look out for is that *Journal of Economic Perspectives* is a very important journal for economists and goes to every dues-paying member of the American Economic Association. The question that this issue seems to raise is the following: has the time finally come for economists to take economic sociology into account? We know, for example, that economists these days take behavioral economics seriously (as exemplified by a Nobel Prize, among other things); and one may therefore be justified in asking if the time has now come to do the same with economic sociology?

The introduction to the issue is written by economist Robert Gibbons and has the apt title "What Is Economic Sociology and Should Any Economists Care?" Of the remaining articles, I especially recommend the one by Mark Granovetter, "The Impact of Social Structure on Economic Outcomes". In a very careful manner Granovetter lays out why and how social relations matter in economic life. There is always something distinctly novel and interesting in what Granovetter writes; and in this particular case I especially liked his argument for what I would call "peripheral entrepreneurship" (or the idea that entrepreneurship tends to develop in the less controlled outskirts of social life). It is also very interesting to see what articles Granovetter singles out as important to economic sociology.

As many other economic sociologists, I have spent much time the last two years reading the work of Donald MacKenzie, economic sociologist and expert on science and technology at the University of Edinburgh. MacKenzie's work is of exceptionally high quality; and of his many fine writings, the one that I would like to plug here is "The Big Bad Wolf and the Rational Market: Portfolio Insurance, the 1987 Crash and the Performativity of Economics" (*Economy and Society*, vol. 33 (3), August 2004, p. 303-334). There are especially two qualities that I like about this article. First of all, it contains what I see as the best discussion of the somewhat unclear concept of performativity (Callon et al). And secondly, it contains a superb account of the important 1987 Crash on the US stock market and what possibly could have caused it.

My third recommended article deals with a much neglected topic in economic sociology, namely that of gender. This is an article by two star social psychologists, Cecilia Ridgeway

and Shelley Correll, entitled “Motherhood as a Status Characteristic” (*Journal of Social Issues*, vol. 60 (4), December 2004, p. 683-700). Its argument is that there exists today a number of studies that show that if you work in the market place (that is, if you get paid for your work), being a mother immediately means that you are seen as less competent and less desirable to an employer than males and women without children. This goes not only for “9 to 5”-jobs, but also for what the Americans call “24/7”-jobs, that is well-paid upper middle class jobs, such as CEO’s and the like. “Motherhood as a Status Characteristic” is filled with important observations on the shameful fact that being a mother is a clear handicap in today’s labor market. Correll is currently also working on some experiments that will clench the argument empirically.

PERFORMATIVITY, NEOCLASSICAL THEORY AND ECONOMIC SOCIOLOGY¹

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Michel Callon's ideas about the economy (1998, 1999; Barry and Slater 2002a, 2002b), and especially the idea of performativity, have recently been debated in *Economy and Society* (see Vol. 3, Number 2, 2002). This debate has contributed to the interest in Callon's work, which is growing on both sides of the Atlantic. Moreover, his approach to the economy is used in empirical studies (Mackenzie and Millo 2003; Mackenzie 2004). Though one can criticize Callon's theory in general (cf. Fine 2003), I will here focus on what I see as his main contribution, which is perhaps also the most controversial aspect of his approach: the idea of performativity. I especially talk about performativity and markets, since this is the main topic of research in economic sociology, as well as the center of Callon's discussion.

There are two arguments and one remark in this short text. The first argument is that the debate on the subject matter of economic sociology misses a crucial distinction between two kinds of markets: exchange role markets, such as financial markets, and fixed role markets, such as producer markets for commodities (§1). My point is that the idea of performativity as Callon presents it, which apparently focuses on neoclassical theory, is empirically valid in exchange role markets, but not in fixed role markets. The second argument is that though the idea of performativity in exchange markets is empirically valid, it is not surprising. In fact, the neoclassical theory that Callon refers to is modeled on the type of markets studied with Callon's approach (§2). The remark is that the idea of performativity is not new in the social sciences (§3). Despite the critique, the debate generated by Callon's works has created a focus on the epistemological aspects of economic sociology, which should be embraced. I begin by briefly describing Callon's notion of performativity.

Performativity

The approach developed by Bruno Latour and Michel Callon for sociology of science studies, called Actor-Network-Theory, has been skillfully utilized in Callon's investigation of the economy. The word performativity refers to the interplay between theories of the economy and the economy. Callon says that his position "consists in maintaining that economics, in the broad sense of the term, performs, shapes and formats the economy, rather than observing how it functions" (1998:2).²

¹ I gratefully acknowledge the financial support by Axel and Margaret Ax:son Johnson Foundation, and comments by Caroline Dahlberg, Richard Swedberg, and Olav Velthuis.

² See also Mackenzie (2004) for an excellent discussion of the two poles of Callon's notion of performativity: the generic, which simply means that categories (such as gender) are not given by nature, but created by actors who perform them, and the "Austinian" (after J.L. Austin), which refers to a relation between discourse (for example an economic theory or model) and practice. I fully agree with Mackenzie that the first is almost self-evident.

The Austinian form is more interesting, and refers to sociology of knowledge in a more problematic way: what is the relation between theories of the world and the world the theories are about?

Performativity means that economic actors, much like scientists who develop theories of the world, use these theories when interacting with the world, thereby shaping it according to the theories. In this way they are performing the economy, making the real economy more like the theories of it. One may then say that the theory is both part of the world at the same time as it is of the world, or as Callon puts it: “[the] economy is embedded not in society but in economics” (1998:30). Callon stresses the role of economics in explaining how the economy performs (Callon in Barry and Slater 2002b:286). A key idea of Callon is that the economy is produced in relation to increased codified economic knowledge. This knowledge includes neoclassical theory, but also accounting techniques as well as marketing (Callon 1998:28).

Given this position it is logical that Callon states: “Yes, *homo economicus* does exist, but is not an a-historical reality; he does not describe the hidden nature of the human being. He is the result of a process of configuration” (1998:22). Thus, only in relation to the set of tools and knowledge that has been added by human production is it possible to understand *homo economicus*; he is not born with these capacities.

How can the idea of performativity be evaluated? Mackenzie (2004) suggests that Callonian performativity can be evaluated according to the Popperian principle of verisimilitude. The scientist can study if there is an increased fit between the model and what the model is all about over time as a consequence of the introduction of the model. It follows from his approach that social researchers should study the economic profession, since the knowledge this profession has produced is what agents use when performing the economy (Callon 1998:30). Sociological studies, he says, should generate “not a more complex *homo economicus* but the comprehension of his simplicity and poverty” (Callon 1998:50). Callon is clearly critical of economic sociological attempts to either enrich or replace *homo economicus*.

1. Kinds of Markets

As mentioned, Callon argues that the focus should be on economics, which today is almost identical with neoclassical theory. However, the argument that economic sociology should be about the real economy (e.g., Miller 2002) is common among new economic sociologists; one leading new economic sociologist, Harrison White, argues that market theories should be phenomenologically correct. The latter demand essentially means that the way actors and firms operate in the “real” economy must be reflected in theories.

It is clear that new economic sociology, here viewed broad enough to include anthropological studies, has generated studies that give a good description of real markets (Swedberg 1994, 2004; Lie 1997; Aspers 2005b). Callon’s approach has some, though less, empirical support (especially Mackenzie and Millo 2003, and the famous example of one strawberry market in France, analyzed by Marie-France Garcia-Parpet, though more work is about to be published). To make it simple, Callon argues that markets should be understood as consequences of theories, whereas most economic sociologists say that the theories must reflect the variety of real markets.

Mackenzie also comes up with an innovative notion, “counterperformativity”, which means that widespread adoption of a model “can undermine the preconditions of its own empirical validity” (2004:306).

I think Callon may be correct when arguing that neoclassical economic theory is performed in some markets. In other markets neither neoclassical economic theory, nor any other theory is performed. Instead I claim that the approach which White has developed to study modern production markets, is a good account of what goes on in these markets. My point is that neoclassical theory is the best theory when it comes to explain what goes on in one type of markets - exchange role markets - and White's approach, is the best we have for fixed role markets (cf. Aspers 2005b). This argument hinges on a distinction between types of markets.

Let me first clarify this distinction, which separates markets according to different social structure and identification with roles over time (and not according to calculability, interest or different values). This, in addition to the culture of a market, is what generates different phenomenologies of markets.³ In exchange role market economic actors, individuals and firms, do not hold permanent roles as buyers or sellers. Instead actors may switch roles so that one first is a buyer, and later a seller of the same, or another, item. Swap meetings, financial markets, and stock exchange markets are examples of exchange role markets, where actors switch roles and appear on both sides of the market interface.

Most real markets, however, are not exchange markets, but fixed role markets (Aspers 2005a), which means that the market identity of an actor is tied to only one side of the market (producer/seller or consumer/buyer). Thus, car manufactures have identities, a theoretical notion that covers the simplistic economic idea of brand names, as producers of cars; they do not also operate as consumers of cars. These roles are tied to production, and the identity is relative to other actors in the market. Each producer operates, however, as a buyer in many other business-to-business markets; buying commodities, such as steel, glue and numerous other components needed for the production of cars. These things are bought from other producers, typically called suppliers, who are located upstream in the production chain.

That the bulk of markets in the economy are role markets is reflected in the existing studies on markets. Hence, most studies are on various types of producer markets. This body of literature usually draws on the works of Harrison White (e.g., 1981, 2002). White himself credits Edward Chamberlin, and to some extent also Alfred Marshall, for initiating this stream of thought that acknowledges how markets function in the real economy (White 1992, cf. Azarian 2003). Although Callon refers to White's work on markets, he does not seem to recognize the major break with neoclassical theory that White's approach represents.

If a product can be disentangled from the identity of the producer, which typically is the case in markets where there are standardized products, such as the stock exchange market, or the market for crude oil, one may speak of an exchange role market. The actors are in principle free to operate on both sides of the market interface, and their identities are consequently not tied to one side (as they are in fixed role markets). In other words, if it is possible to disentangle the product from the producer, it may be possible to create a market according to principles of neoclassical economics.

³ From this distinction follows that, for example, narratives binding identities over time differ in the two types of markets (cf. Aspers 2005b; White 1992, 2002). It is not possible to outline the phenomenological differences of the types of markets here; I can only refer to a number of studies that reflect the differences.

What, then, has this distinction between exchange and fixed role markets to do with Callon's notion of performativity? In so-called exchange role markets it is likely that Callon's approach may prove successful, but it will not be successful in fixed role markets. The reason is that the "economics" that Callon refers to has essentially developed a theory of exchange role markets; whereas the theories developed in new economic sociology is about fixed role markets. Moreover, it is my opinion that neoclassical economic theory has come up with a theory of exchange role markets that is superior to new economic sociology. It is also my opinion that new economic sociology has a better foundation than neoclassical economics for developing theories of fixed role markets.

Thus, despite the fact that some very good sociological and anthropological research has been done on financial markets (e.g., Smith 1981; Abolafia 1996; Knorr-Cetina and Bruegger 2002; Hasselström 2003), it is yet early to, for example, talk about a sociological theory of the core of exchange markets, which would include price formation. The neoclassical approach, growing out of the work of Jevons, Marshall and above all Walras, presented in the works of Knight (1921:76-81), and which still today in a simpler version is the baseline in most textbooks of economics, appears as the only systematic and coherent theory of exchange markets, like stock exchange markets. Though others bodies of research exist even within economics, such as behavioral economics and the closely related behavioral finance, they are not enough systematized to be called theories.

It follows that Callon is wrong when he says that we should study economics to understand the economy, simply because many markets do not "behave" as the neoclassical model predicts; they are in fact another "species" as White says (1992). In other words, fixed role markets are not mirroring neoclassical theory, and the existences of such markets consequently represent anomalies also to Callon's approach. Callon, however, is probably correct when it comes to exchange role markets, such as a stock exchange; in these markets economics and the economy are quite similar. Why this is the case will be further discussed in the next section. Moreover, Miller is wrong when he concludes that, "Perhaps the sale of strawberries in one part of France does actually represent a market, but most attempts to locate markets have been and I predict will continue to be (if you will forgive the pun) rather 'fruitless' investigations" (2002:232).

My prediction is that as long as we study exchange markets Callon is likely to be correct and Miller wrong; people in these markets perform the neoclassical model. In other markets, though some players have learned the basics of neoclassical economics, most do not perform this theory in reality; they have instead learned the tricks of the trade, and are more likely to operate according to the predictions made by Harrison White. Put differently, both Callon and Miller are partly correct, but each is also partly wrong. Callon is right about exchange role markets, where his idea of performativity generates high verisimilitude, i.e., the fit between neoclassical model and real exchange markets is high. The degree of verisimilitude is likely to be much lower when Callon's idea is applied to fixed role markets. Miller, in contrast, has a strong point about many so-called production markets, which constitute the bulk of markets. This debate is easier to understand if one recognizes the distinction between exchange role markets and fixed role markets, which it seems that neither Callon nor Miller have done. These two types of markets generate fundamentally different phenomenologies, and must also be accounted for with different theories.

So far I have done a slightly narrow interpretation of Callon's idea of "economics". One may instead focus on his more general claim that "several types of organized market exists"

(Callon 1998:32), and following this, Callon foresees studies that result in the presentation of different types of calculative agencies (1998:48). However, there is a problem with Callon's approach if it takes this route; it risks becoming so wide that it lacks specificity. Callon (1998:39-40) says that calculation is not restricted to the West; it also takes place in so called traditional societies. But if this is the case, his statement becomes extremely general. Apparently, all economies are performed, regardless of the level of theoretical and practical knowledge that has been codified.⁴ This raises the question what the idea of performativity adds; this wider interpretation of Callon's theory, and his notions, is clearly less interesting.

2. Practice, Theory and Performativity

The second argument is that it is not surprising that some areas, i.e., exchange role markets, of the economy are operating according to the predictions of the neoclassical theory, as outlined by Callon. In fact, everything else would be a surprise. Why? The short answer is that the neoclassical theory, which Walras—a founding father of this theory—developed, is in fact modeled on the real economy, the Paris Bourse. This is part of the history of economics.⁵ Thus, Walras developed a theory for the type of market that I above call exchange role markets (cf. Kregel 1998). The following quotation indicates this:

“The markets which are best organized from the competitive standpoint are those in which purchases and sales are made by auction, through the instrumentality of stockbrokers, commercial brokers or criers acting as agents who centralize transactions in such a way that the terms of every exchange are openly announced and an opportunity is given to sellers to lower their prices and to buyers to raise their bids. This is the way business is done in the stock exchange, commercial markets, grain markets, fish markets, etc” (Walras quoted in van Daal and Jolink 1993:110).

As Van Daal and Jolink say, “Walras' models not only bear resemblance to the actual exchange mechanism at a stock exchange, but are, in fact, modeled to reflect this mechanism” (1993:110). Thus, Walras built his theory of ideal relations based on “real-type” concepts, i.e., those based on experience (Ibid.:110-111). In this case, and I think it is a telling example, economics mirrors the economic practice, rather than the other way around. This suggests that even though markets obviously are social constructions, they are not performed. It is often better to say that some markets are modeled on other markets, but that does not necessarily imply that they are performed.

3. An Old Idea

I will end with a remark. Callon acknowledges that he is not the first person to talk about performativity. J.L Austin and, much later, Judith Butler have used this notion. As mentioned, I agree with Mackenzie (2004) that Callon's most interesting version of performativity is about codified knowledge; particularly in theories and models, which are seen as important for making the economy. Though the idea is interesting, it is worth remembering that it is not entirely new. It is better to say that Callon contributes to an existing tradition. Besides Austin and Butler, Edmund Husserl (1970), discussed in a text written in 1936 the relationship between scientific theories and the lifeworld. He argues that,

⁴ This merely means that he repeats the idea that the economy is a social construction.

⁵ It is interesting that also another founding father of the neoclassical theory, Alfred Marshall developed his version of the theory in relation to the real economy, combining deduction and induction (cf. Aspers 1999).

gradually, scientific theories become taken for granted, though their meaning foundation may be lost. This means that a theory may become part of the lifeworld, and thus affecting how people behave. Later on, other phenomenologists, like Alfred Schütz, as well as Berger and Luckmann, have discussed this more in detail. And following the phenomenological tradition, Giddens refers to this as the “double hermeneutic” (1984:xxxii-xxxiii). Even Habermas (1974) discusses similar ideas.

Still, should not Callon be credited for being the first to use this idea in the studies of the economy? The following quotation from Pierre Bourdieu, answers this question: “[M]ethods (economic accountancy, for example) or concepts (such as the notion of capital) which are the historical product of capitalism and which include a radical transformation of their object, similar to the historical transformation from which they arose.” ([1980] 1990:113). My remark is not a critique of Callon, it just stresses that he adds to a long tradition of especially phenomenologically inspired sociology of knowledge.

Conclusion

All in all, Callon’s approach has been embraced, used and admired, and today he is in vogue. In this short text, I have only discussed one, though central, notion of his approach, performativity. His approach is to a large extent about using a new discourse. But as Don Slater points out, discourse does not inform us about practice, and he claims that there must be an “open ended and indeed an ethnographic approach to the ways specific markets are constructed” (2002:245). The points made here ultimately aim at developing economic sociology. The somewhat critical comments in this text notwithstanding, Callon’s work has helped to spawn a debate on the reflexive dimension of sociology of knowledge of the economy, which all of us must relate to.

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**BOOK REVIEW: AXEL PAUL, *DIE GESELLSCHAFT DES GELDES. ENTWURF EINER
MONETÄREN THEORIE DER MODERNE (THE SOCIETY OF MONEY. OUTLINE OF A MONETARY
THEORY OF MODERNITY)*, WIESBADEN: VS-VERLAG, 2004, 273 PP.**

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With few exceptions, modern sociology has never shown a deep interest in the theory of money. Most sociologists were ready to accept the allegedly superior competence of economic theory in this field. The usual economic textbook definitions of money as a standard and means of exchange and as a store of value were echoed in sociology almost without critique and discussion. The rediscovery of Simmel's *Philosophy of Money* however, which took place in sociology as well as in economics during the 1990s, raised issues which put this tacit consensus into question. Without denying the legitimacy of economic theories of money, Simmel is very decisive in claiming money as a key object of sociological thinking. For Simmel, money is the most abstract form of social "mutual dependence" which in his view is the essence of society. This line of thinking has found resonance among a number of recent authors, such as Heiner Ganßmann, Nigel Dodd, Michel Aglietta, André Orléan and others.

Axel Paul's book surely is one of the most important recent contributions to this discussion. Drawing not only on Simmel, but also on other authors like Aglietta/Orléan, Keynes, Heinsohn/Steiger and Luhmann, Paul develops a set of concise arguments in order to demonstrate the centrality of money for sociological theory. According to him, money is much more than the neutral means of exchange, as mainstream economic theory views it; rather it is a social reality *sui generis* in the sense of Durkheim. Money is the basis not only of the economy, but of a particular "type of society which is bound to permanent change" and which permeates even the micro-level of social relations and the natural environment (p. 39). The economy too cannot be understood satisfactorily without recourse to an adequate theory of money. The basic problem of real economic actors is not rationality but uncertainty, as Paul emphasizes, drawing on Jens Beckert. In order to understand, however, how uncertainty is generated as well as how actors cope with it, it is vital to consider the role of money in society.

The first part of the book contains a critique of rational choice interpretations of money. According to the common economic textbook view, rational actors "invent" the institution of money in order to overcome the problem of double contingency of wants and to establish a common standard of accounting. Referring largely to the first chapter of Simmel's *Philosophy of Money*, Paul shows that matters are reversed: neither the exchange of equivalents, nor the rational calculations of individual wants are conceivable without the (at least implicit) assumption of the pre-existence of an economy which is based on money. Where else would it be possible for the actors to have learnt the art of rational comparison and calculation? The figure of the rational actor itself can emerge only within the framework of a fully developed monetary economy, since the inner distance of the individual towards

the totality of his/her wants, which constitutes his/her identity as an autonomous individual, is only the individual reflection of the social objectivation of values in the form of money. Simmel conceptualizes money as the key medium of a process of social differentiation, from which the subjectivity of individuals and the objectivation of culture emerge simultaneously. Only by virtue of money can actors individualize themselves within society. At this point, Paul draws an interesting parallel between the analysis of Simmel and the studies on the exchange of gifts by Mauss and Aglietta/Orléan. As Aglietta/Orléan have shown, the inner contradictions of the exchange of gifts can be solved only by the mechanism of sacrifice, i.e. by the common reference of both parties to something third which cannot be appropriated individually. In other words, money takes the role of “sacrifice” in market societies, as Paul concludes with Aglietta/Orléan.

In the second part of the book, the author continues his critique of economic theories of money, firstly by highlighting the paradoxes of the quantity theory of money. From the viewpoint of contemporary policies of neutral money as well as of neoclassical interpretations of money, Menger's idea of a double, i.e. functional as well as intrinsic value of money, must appear anachronistic. However, neither the Bretton-Woods System of stable foreign exchange rates, nor the practice of free floating exchange rates prevailing after 1973 had been overly successful in achieving the political aim of stable currencies. Moreover, Paul shows that even the quantity theory of money itself can work only under the tacit assumption that actors have at least the illusion of stable, intrinsically valuable money. Money indeed has an intrinsic value, which however has nothing to do with the price of any money-commodity like gold or silver, as Menger viewed it. Rather, as Paul points out, again with Simmel, it is purely “nominal” money which becomes intrinsically valuable in a new, different way. Money is not only a means of exchange, it is also an asset (“Vermögen” as it is called in German, which literally means “being able”). Its possession gives the owner a universal freedom of disposition which is a value in itself indeed, even of a higher order than the mere access to particular goods or services. In Simmel's words, money is not only a means but a *universal* means, “the last but one” end of all ends (p. 110). With the investment of money as an asset, the phenomena of speculation and the problems of instability at financial markets arise. What the owner perceives as his freedom of disposition means uncertainty for all others. From this viewpoint, interesting parallels between Simmel and Keynes become visible, which are elaborated and discussed elaborately by Paul.

The next point in Paul's agenda is a critique of the property theory of money by Heinsohn/Steiger. According to this theory, money and interest emerge from the act of “charging” private property by lending and pawning. Due to the obligation of the debtor to repay his debt with interest, any monetary economy is subject to an imperative of growth. Paul tends to follow this (problematic) view. Yet he also criticizes the theory of Heinsohn/Steiger along the lines developed in the preceding chapters: the genesis of money cannot be explained in the framework of the dyadic relationship between lender and debtor alone, since this relationship in turn presupposes the existence of a social authority which guarantees the general acceptance and legitimacy of individual claims. The concept of “means of payment” presupposes that of a “community of payment”, as Paul emphasizes (p. 153). If money generates the imperative of growth by itself, then it is not difficult to explain the need for entrepreneurs in a capitalist economy. Contrary to the short-circuited view of Schumpeter, it is not the entrepreneur who initiates the dynamics of capitalism. Rather, the function of the entrepreneur is to implement the growth imperative which is inherent to the form of money itself (p. 177). The need for growth is associated inevitably with the problems of crises and uncertainty, which the theory of financial markets can tackle only at

the price of running into tautologies; Paul shows that by means of the example of the “efficient market hypothesis”.

However, money does not only create uncertainty, it is also a symbol of unity, but unity of what? Again it was Simmel who tried to give an answer with his idea of the universal “relativity” of money. As a universal entity which can perform almost everything and which bridges all opposites of the world, money resembles Nikolaus Cusanus’ concept of god as the “coincidentia oppositorum”, as Simmel noted. Does this mean that money has “religious” qualities? Paul hesitates to accept this conclusion. Money is based on “trust”; however, trust in the institutions of the banking system and religious “faith” in god are different things, because the latter in contrast to the former lacks any empirical justification, as Paul argues, again following a distinction of Simmel. One could ask at this point whether trust in the policies of central banks can really be based on empirical information. At the same time it is anything but evident that religious believers are not interested in empirical indications for their state of salvation. Here Paul reaches a crucial point in his argument, because it is the quality of the social synthesis created by money which is questioned. His answer is not very clear, however. Is money an “institution” (p. 216)? Is it some kind of “contract” (p. 223 f.)? Or is it a “quasi-religious” construct anyway (p. 218)? Money needs “legitimation”, Paul argues, but of what kind is this legitimation?

The concluding chapter contains a short, but inspiring discussion of Luhmann’s theory of money as a medium of communication; at the same time it is an attempt to once summarize the author’s own position. Paul agrees to Luhmann’s thesis about the “autopoietic” nature of social synthesis; at the same time he points to the hidden convergence between Simmel’s “philosophy of money” and Luhmann’s theory. Also, he argues that Luhmann’s idea of autopoiesis can be understood better in its own terms, if being conceptualized as an *autopoiesis of money* instead as one of communication. The problem of Luhmann’s theory of money as a medium of communication is that it plays down the “actual imperialism of money” in society (p. 246). Actually, money is much more than a functionally specified medium, as Paul emphasizes: it does not only transport information, but also uncertainty; it does not only symbolize value, but *is* value in itself; it is inherently reflexive. In other words, money does not simply represent a particular type of functional differentiation, but is the very basis of a functionally differentiated society itself.

Paul’s book does not only offer an excellent discussion of contemporary sociology of money, but also promotes the state of the art an important step further. The author shows convincingly that current theories of money in sociology as well as in economic science are far too “harmless”. He makes clear how right Simmel is, when he claims money as a central issue of social theory. However, the *Outline of a monetary theory of modernity*, which the subtitle of Paul’s book promises, remains somewhat vague. Paul’s statements about the nature of monetary synthesis leave open many questions. Perhaps this is due to the nature of the matter itself; even so, at least a more precise and consistent description of the paradoxes into which all theories of money seem to run, would have been desirable. Paul rightly insists that the growth imperative of a monetary economy is a societal, not only an economic one. But where does this imperative come from? In his explanation, Paul seems to rely largely on the approach of Heinsohn/Steiger – thus risking to fall behind his own insights. While Paul tends to overrate the importance of Heinsohn/Steiger, another author is neglected badly by him: Karl Marx. Paul’s contention that Marx in his critique of capitalism did not intend more than to scandalize the “unjust” appropriation of surplus product by the capitalists (p. 30) clearly is not correct. Contrarily, a careful reading of Marx’ texts would have revealed that it

was Marx, not Simmel, nor Luhmann or Heinsohn/Steiger who first discovered the autopoietic nature of money and capital. The return of the theory of money to the core of the theory of society will become truly irreversible only after a new reading of Marx, not only of Simmel.

BOOK REVIEW: JENS BECKERT, *UNVERDIENSTES VERMÖGEN. SOZIOLOGIE DES ERBRECHTS (UNEARNED WEALTH. THE SOCIOLOGY OF INHERITANCE LAW)*, FRANKFURT/NEW YORK: CAMPUS VERLAG, 2004. 423 PP.

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The main argument of this new book by Jens Beckert may be summarized as follows: notions of property are culturally framed and remain remarkably stable over time. This is shown through a comparative study of inheritance law during the period from the late 18th century until today, in three countries: Germany, the United States and France.

The author develops his argument as follows. When it comes to property, different discursive strategies have been developed in the legal-political discourse that has been used when discussing inheritance. Actors can draw on fairly distinct patterns of justification (or arguments that are considered valid) in each country.

The result of the study is that the three countries in question all display a somewhat different type of discursive pattern. In the United States, two principles stand against each other: unrestrained property rights and equal opportunity (in combination with fear that wealth concentration may endanger democracy). In France the binary opposition that characterizes the legal-political discourse spans the notion of equality and the principle of freedom of property. And in Germany, three competing demands exist and are taken into account: the notion of private property, social justice (associated with the state), and the protection of the family.

The author establishes these results by drawing on legal literature, secondary academic literature and content analyses of various debates in political fora. He centers the investigation around four issues, each of which is discussed in a separate chapter: testamentary freedom, the abolishment of entails, inheritance taxes and the inclusion of various family members in intestate law.

While the discursive analysis stands at the center of this work, the author argues for a multi-dimensional type of explanation. The key argument is that while ordinary economic and social forces are involved in the changes that we see inheritance law undergoing, it is only through discourse analysis that the distinct and long-standing *differences* between the three countries can be explained.

The whole investigation, the reader is told, broadly falls within the interpretive type of analysis associated with Max Weber. The key figure that Beckert wants primarily his study to be associated with, however, is that of Emile Durkheim. It is the latter who suggested that law can be seen as an indicator of society's general development; following in this tradition, Beckert himself suggests that we see changes in inheritance law as indicators of the changing relationship between the individual and society in modern society.

This is an impressive study that deserves many readers not only in economic sociology but also in other social sciences. It is impressive in the following ways: (1) by virtue of being the first major comparative study of inheritance in the social sciences that I know of; (2) by virtue of the author's attempt to infuse his analysis with an interesting theoretical perspective, centered around a sociological version of discourse analysis; and (3) by virtue of the author's erudition when it comes to inheritance law.

As with all good studies, one's appetite grows while one eats, and this is also the case with Beckert's book. One question that I would have liked to see addressed in more detail, for example, is the one between inheritance and today's capitalism. It seems to me that if the current trend in advanced capitalism continues, namely that institutional investors overtake individual investors, inheritance will lose much of its importance. Institutional investors don't die and they don't inherit one another. And with a loss of importance, the door is also opened up for normative/ideological attacks on inheritance. All in all, however, this is an excellent study which is bound to become a major reference in economic sociology.

JOB ADVERTISEMENT

Research Assistant/Fellow (Ref. 1339)

School of Historical, Political & Sociological Studies

Department of Sociology, University of Exeter

This nine-month post on the ESRC-funded project “The Life Course of Festivals” is available from 4 April 2005. The project involves the study of careers and work in the arts festival industry.

As part of a small team, the post-holder will collect data while being involved in all stages of the project from survey design to article and report writing. During fieldwork some travel, including overnight stays, will be necessary.

Applicants should be educated to at least Master’s level in sociology or a related discipline. Experience in empirical research and training in qualitative and quantitative methods are essential for this post.

The post-holder should have an interest in the study of work organizations and/or the arts. He/she must have strong interviewing skills and be able to relate to people who are in their early twenties.

Salary will be up to point 8 (£23,643 pa) with placement depending on qualifications and experience, on Research Grade points 4 to 13 (£19,460 to £29,128 pa).

Informal inquiries may be made to Dr Iain Lang, iain.lang@pms.ac.uk and (01392) 406749.

Applications packs are available from www.exeter.ac.uk/jobs, and applications may be submitted electronically to Dr Ann Vogel at A.Vogel@exeter.ac.uk. Closing date for completed applications is **7 March 2005**. Interviews will be held on 21 March 2005.

EQUAL OPPORTUNITIES EMPLOYER

SCHOLARSHIPS

Max Planck Institute for the Study of Societies

Scholar-in-Residence

Beginning in 2005, the Max Planck Institute for the Study of Societies (MPIfG, www.mpifg.de) in Cologne will annually invite a leading scholar in political economy or economic sociology to spend six months in residence at the Institute. Tenure will usually extend from September to February. Scholars are selected on the basis of an established record of excellence, as well as a current research project in an area close to the core interests of researchers at the MPIfG. Both nominations and direct applications are possible.

Scholarships are awarded by the directors of the MPIfG. Decisions are made at the end of March of the year in which tenure is to begin. Recipients are paid a stipend according to the guidelines of the Max Planck Society (www.mpg.de). In addition they are reimbursed reasonable research expenses incurred during their time at the MPIfG. MPIfG Scholars-in-Residence will have an office at the Institute and access to the full range of its support services. They are expected to present a series of three seminar lectures on a subject of their choice, and generally to participate in the intellectual life of the Institute.

Inquiries, nominations and applications may be directed to the MPIfG's Managing Director, Prof. Wolfgang Streeck, at streeck@mpifg.de.

Nominations and applications must be submitted by March 18, 2005 by email or post to

Prof. Wolfgang Streeck
Max Planck Institute for the Study of Societies
Paulstrasse 3
50676 Koeln
Germany.

CALL FOR PARTICIPATION

Urrutia Elejalde Foundation, in collaboration with UNED, CSIC and FECYT

5TH Winter workshop on economics and philosophy

Science, Democracy and Economics

Madrid, April 11th to 13th, 2005

Invited co-ordinator: Prof. Steve Fuller (University of Warwick, UK)

We are seeing recently a radical transformation of the ‘social contract of science’. According to the old contract, the State warranted a high and growing funding to scientific research, deciding its priorities, but minimising the political interferences on scientists’ ‘internal’ practices. Public distrust to some research lines, and decreasing public financial capacity, make necessary a new ‘social contract’. Although it is not clear what this new contract should contain, it must satisfy at the least two basic demands: a critical and rational agreement by part of the citizens, and economic sustainability. The 5th Winter Workshop of the Urrutia Elejalde Foundation will be devoted to discuss and analyse a number of perspectives on the possible ‘new deals’ of science. A preliminary list of speakers includes:

Steve Fuller (invited co-ordinator; Warwick, UK), Salvador Barberá (Barcelona, Spain), Michele Boldrin (Minnesota, USA, and Madrid, Spain), Merle Jacob (Copenhagen, Denmark), José Antonio López Cerezo (Oviedo, Spain), Nils Roll-Hansen (Oslo, Norway) Esther Mirjam-Sent (Nijmegen, The Netherlands), Petri Ylikoski (Helsinki, Finland).

The workshop will take place at Universidad Nacional de Educación a Distancia, Facultad de Ciencias Económicas. Senda del Rey, 11. Madrid, Spain. A limited number of presentations, especially by young researchers, will be admitted. Although only communications directly related to the topic of the workshop will be accepted, authors are encouraged to approach to question from a wide number of perspectives (economic, political, philosophical, sociological...). Communications must be in English. A one-page abstract, together with the author’s data, must be sent before February 28th, 2005 to:

Prof. Jesús Zamora Bonilla - jpzb@fsof.uned.es

On march 15th authors will be told whether their communications have been accepted.

Registration for the workshop is free. People willing to attend have to send a message with their data to the above mentioned e-mail address.

More information on the website of the Urrutia Elejalde Foundation:
<http://www.urrutiaelejalde.org/>

The “Urrutia Elejalde Foundation Winter Workshop on Economics and Philosophy” is the only Winter Workshop in the world that has never taken place during the winter.

CALL FOR PAPERS

Paradoxes of Creativity

Managerial and organizational challenges in the cultural economy

Special Issue of *Journal of Organizational Behavior*

With the shift towards knowledge-based societies, the creation of new ideas has become an even more crucial parameter of economic success. Creativity, as Florida (2002: 4) boldly claims, "...is now the decisive source of competitive advantage." The challenge of a relentless creation of new genres, formats, and products presumably is most clearly pronounced in the cultural economy. The cultural economy, in fact, has come to be seen as a major forerunner and experimental site for managerial practices of the permanently innovating organization (Caves, 2000; Teece, 2003). Hollywood, in other words, is not only a major hub of movie production; it is also a production model (DeFillippi and Arthur, 1998).

The cultural economy includes the artistic core sectors of cultural industries such as art, theatre, film, publishing, music, photography, fashion as well as services like design, advertising, architecture and design industries such as fine furniture, clothing or jewelry (Hirsch, 2000, Scott, 1999). A common denominator of all these industries is that aesthetic attributes are decisive elements of product and service differentiation and value. Competition in these industries, broadly speaking, shifts from the 'use-value' of products to the 'sign-value' of brands and luxury goods (Lash and Urry 1994: 122; du Gay 1997).

We start from the assumption that creativity is a social process that is stimulated, fostered, orchestrated or hampered by specific organizational contexts (Amabile 1988; 1999). Our perspective provides a counterpoint to the idea that creativity is the expression of individual attributes and can be consigned to that mysterious primal moment of a transcendent personalized impulse. Even in the most intimate moments of genesis, aesthetic practices connect with concrete social and organizational conditions (Becker 1982; Boden 1992; Bordieu 1983; White and White 1965).

This special issue explores the paradoxes caused by the challenge of managing and organizing creativity in the cultural economy. Paradoxes experienced by managers in cultural industries are also to be found in a growing number of other industries where creativity and innovation are keys to sustaining competitive advantage (Lampel, Lant and Shamsie 2000). These paradoxes include the need to reconcile tensions between the work ethos and human resource practices in creative and more routinized activities; and to balance the advantages of flexible and temporary organization with the advantages of tight integration. Some suggest that creative workers have a distinctive set of individualistic work styles, meritocratic values, and unconventional social behaviors which pose unique challenges to human resource managers (Davis and Scase, 2000; Florida, 2002). Additionally, the ambiguous and at time contentious nature of the creative work process itself poses distinctive organizational challenges, as aptly illustrated by the following quote: "The music of the violin we get by friction" (Ashcraft, 2002).

The following themes illustrate some of the paradoxes arising in the cultural economy. We do not suggest these are the only such paradoxes, but we encourage paper submitters to the special issue to consider whether their theoretic and empirical findings might shed light on some facet of any of the below themes. We encourage researchers from a diverse array of academic disciplines, including organizational behavior, psychology, sociology, anthropology, media studies and economic geography to submit papers to the special issue. We are open to different types of theoretically grounded empirical work based on qualitative and /or quantitative methods. We also encourage manuscripts whose theoretic perspectives and empirical findings apply to multiple industry contexts or compare practices across cultural industries.

- 1. The Difference Paradox: Crafting or Standardizing Human Resource Practices?**
- 2. The Distance Paradox: Coupling or de-coupling creative and routine work?**
- 3. The Globalization Paradox: Reconciling local creativity with transnational power?**
- 4 The Identity Paradox: Individual or Collective careers, identities and reputations?**

For more information, see <http://www.job-journal.org/authors/calls/creativity.htm>

Special Issue Co-Editors: Robert DeFillippi, Suffolk University, Gernot Grabher, University of Bonn; and Candace Jones, Boston College

Manuscripts must be received by July 1, 2005. Authors should prepare manuscripts in accordance with JOB guidelines, published at the back of every issue or on the JOB website. All submissions will be blind-reviewed by at least two reviewers. Please submit manuscripts in a Word-compatible format electronically to Robert DeFillippi: rdefilli@suffolk.edu
Authors without internet access may mail five hard copies to: Robert DeFillippi, Sawyer School of Management, Suffolk University, 8 Ashburton Place, Boston, MA 02108-2770 (Phone 1-617-573-8243 Fax: 1-617-573-8345)

CALL FOR PAPERS

Perspectives on Moral Economy

Lancaster University, U.K. 25-27th August 2005

All economies are moral economies, in the sense that all economic relations and practices have moral/ethical preconditions and implications. 'Moral economy' might be defined as a kind of inquiry focussing on how economic activities of all kinds are influenced and structured by moral sentiments, values and norms, and how in turn those are reinforced, compromised, or overridden by political economic pressures.

How are economic practices influenced and structured by moral or moral-political norms? How do economic pressures and political economic power affect those norms? How defensible are such norms? How do economic institutions define responsibilities for or towards others? How do economic practices shape life prospects? The focus will be not only on achieving a better understanding of such institutions and practices but on feasible and desirable possibilities for change. Such a study might range from the philosophical, for example, concerning concepts of value and flourishing, to the practical, for example the specific rights and responsibilities associated with particular economic practices.

The conference will be postdisciplinary, bringing together researchers with interests in these matters from politics, sociology, philosophy, economics and allied areas.

The aims of the conference are:

- To further understanding of moral economy
- To broaden and deepen the critical standpoints from which economic activities can be assessed, thereby helping in the search for alternatives;
- To bridge the divide between those who work on political economic studies of practice and policy and theorists and philosophers who work on the normative bases of economic life.

Plenary Speakers include Erik Olin Wright and Sylvia Walby. The conference is organised as part of an ESRC fellowship held by the organiser - Professor Andrew Sayer.

Abstracts of papers relating to these issues are invited for consideration for the conference and should be sent to Andrew Sayer at the address below by the extended deadline of 1 March 2005

Conference organiser: Andrew Sayer, Professor of Social Theory and Political Economy, Department of Sociology, Lancaster University, LA1 4YD, U.K. a.sayer@lancaster.ac.uk

Conference secretary: Pennie Drinkall: p.drinkall@lancaster.ac.uk

CALL FOR PAPERS

Association for Social Economics

Annual A.S.S.A. Meetings

Boston, Massachusetts, January 5 – 8, 2006

Theme: Understanding Living Standards

The year 2006 marks the 100th anniversary of Monsignor John A. Ryan's publication of *A Living Wage: Its Ethical and Economic Aspects*. Social economists such as Ryan have long fought for a decent standard of living, through paid work and welfare state supplements. Though best known for his advocacy of a living wage, Ryan has also argued for higher minimum wages, employee participation at work, reduced work hours, full employment policy, improved race relations, and other aspects of socioeconomic reform. The theme of papers for the 2006 meetings will be how economies across the globe come to understand what constitutes a living and how we can improve living standards, including balancing paid work with family life and civic responsibility. Possible sessions could include:

- An evaluation of the work of John A. Ryan and other social economists who address living standards
- Improved quantitative and qualitative measures of socioeconomic status and well-being
- The role of the public and private sectors in improving living standards
- Policy proposals to reduce work time, improve earnings, reduce inequality and discrimination, provide food and health security, enrich work life, alleviate underemployment, reconcile work and family, etc.

There will be an opening plenary session, seven other sessions, and a Presidential Address at the ASE breakfast by David George. Both members and nonmembers of the Association for Social Economics are invited to submit proposals. Also, anyone willing and able to organize a full session with three or four papers and discussants on an appropriate topic is encouraged to submit such a session for consideration.

A selection of papers presented at the sessions will be published in a forthcoming issue of the *Forum for Social Economics*. To be eligible for consideration, papers must be limited to 3,250 words of text with no more than three pages of endnotes and references. Three hard copies and one electronic copy of the final draft of the paper must be submitted to the Forum editor by January 20, 2006. Each paper will be sent to two referees.

Proposal Submission: A one-page abstract (including name, postal and e-mail address) should be submitted before the deadline of May 2, 2005. It is preferred that abstracts be sent by e-mail to Deb.Figart@stockton.edu.

Deborah M. Figart
Dean of Graduate Studies and Professor of Economics
Richard Stockton College
P.O. Box 195, Jim Leeds Road
Pomona, NJ 08240-0195 USA

CALL FOR PAPERS

Corporate Political Activities in an Internationalizing Economy

Research Colloquium, February 17-18, 2006

Amsterdam, The Netherlands

In most industries, contacts with public bodies and regulatory agencies are an integral part of competitive strategies. Corporate political activities often are essential to firm performance and survival. However, political strategizing by firms is greatly complicated by the internationalization of economic relations. Recent developments such as the enlargement of the EU and the establishment of international trade agreements like NAFTA and the WTO have added a layer of complexity to political strategizing. These supranational developments add new structures for regulatory decision-making to economic and political processes within countries. This development affects the political activities of firms by offering new opportunities and constraints for achieving strategic goals through non-market action. Although the intricate dynamics of internationalization and changing business-government relations are recognized in the literature, it is not fully understood how and when this affects corporate political strategizing.

The question of the relations between corporate political activities and internationalization is the topic of a Research Colloquium to be held at the Free University in Amsterdam, The Netherlands in February 2006. The colloquium aims to address topics such as, but not limited to:

- Comparative studies of corporate political activities across countries and sectors;
- The internationalization of corporate political activities and the possible convergence of firms' political practices;
- The development of international regulatory standards and the role played by individual firms in this process;
- The rising importance of supra-national regulation over national policy arrangements and their effects on patterns of corporate political action.

A limited number of papers presented at the colloquium will appear in a special issue of the journal *Business & Society* on the internationalization of corporate political activities, scheduled for publication in the Spring of 2007. The remaining papers will be considered for inclusion in an edited volume on the same topic.

We encourage both empirical and theoretical papers that provide methodological solutions and new perspectives into the study of internationalization and corporate political activities. We specifically invite comparative analyses (cross-country or cross-industry) as well as experiences from different institutional contexts, and intra-firm perspectives in relation to the internationalization of corporate political activities.

Participants will be invited on the basis of full papers or extended abstracts (min. 2,500 words). The deadline for submission is 1 September, 2005. An electronic copy of the paper or abstract should be submitted to *Arnold Wilts* at the colloquium's e-mail address

<arc2006@fsw.vu.nl>. Accepted authors will be invited to present their papers at the Research Colloquium. Completed papers are required by 16 January 2006 and will be distributed to all participants. After the conference, papers will be reviewed for publication. The review will be concluded by the end of June 2006. Revised papers are required by 1 September 2006.

The colloquium is hosted by the Department of Public Administration & Organization, Free University, Amsterdam, The Netherlands and will be held on Friday 17 and Saturday 18 February 2006. For those who present a paper, the organizers will cover all local costs (accommodation and food). Participants are expected to cover their own travel costs.

Organizers

Arnold Wilts, Department of Public Administration & Organization, Free University, The Netherlands

Nicolas Dahan, Economics and Management Department, Université de Marne la Vallée, France

Mika Skippari, Industrial Management, Tampere University of Technology, Finland

Kathleen Rehbein, College of Business Administration, Management Faculty, Marquette University, USA

Jennifer Griffin, Strategic Management and Public Policy Department, The George Washington University, USA

ANNOUNCEMENT

Going Places: Towards a spatial turn in the social sciences?

The vector of time has long been appreciated in the political economy of Marx, Kondratiev or Schumpeter through notions such as historical shifts in modes of production, technological paradigms and trajectories, and the significance of time-instituted selection environments. In evolutionary strands of economic thinking, the vector of time has lain at the very core of reasoning. The vector of space, in contrast, has remained somewhat out of the focus of the social sciences. Space, quit simply, signified a sort of blackboard on which socio-economic determinants inscribed the traces of historical development.

This asymmetry, more recently, it seems has begun to shift, if slightly though. The increasing problematization of territoriality appears to be driven, above all, by three interrelated debates on innovation and learning. On a macro-level, the persistence of the national institutional context of the 'home base' vis-à-vis globalisation dynamics has been recognized. On a meso-level, the classic success stories of industrial districts and clusters reiterate the importance of the local embeddedness in place-bound conventions and practices. And on a micro-level, scholars of the sociology of science have come to appreciate the powers of co-location and face-to-face communities for tacit practices of knowledge exchange in the laboratory.

This obvious increasing sensitivity towards space in the social sciences is the theme of the second track of the SECONS Discussion Forum. The following papers can be downloaded from <http://www.giub.uni-bonn.de/grabher/> (by clicking on 'SECONS Discussion Forum'):

SECONS #5

Jamie Peck (Geography, University of Wisconsin-Madison):
Economic Sociologies in Space

SECONS #6

Bob Jessop (Sociology, Lancaster University):
"From Localities via the Spatial Turn to Spatio-Temporal Fixes:
A Strategic-Relational Odyssey"

SECONS #7

Gary Herrigel (Political Science, University of Chicago):
Space and Governance in New Old Economy Manufacturing Industries

SECONS #8

Jörg Sydow (Business Administration and Management Science, Freie Universität Berlin):
"Towards a Spatial Turn in Organization Science? - A Long Wait"

SECONS #9

Gernot Grabher (Socio-Economics of Space, University of Bonn): "Trading routes, bypasses, and risky intersections: Mapping the travels of networks between economic sociology and economic geography"

CURRENT PHD PROJECTS IN ECONOMIC SOCIOLOGY IN EUROPE

Markets & morals - Rutger Claassen

The background for this project is formed by the debate about the question whether there are any “moral limits of the market” (Walzer 1983, Anderson 1993, Radin, 1996, Sandel, 1998, Soule 2003), alternatively called the “commodification debate”. The central question is whether ethical theory can determine the (in)appropriateness of the use of the market for the provision of different kinds of goods and services. However, before this normative question can be addressed, two problems must be addressed which I feel are underdeveloped in this debate. First, it must be clear what the normatively relevant features of the (ideal type) market mechanism are. *Contra* Walzer and Anderson, I treat the market not as a social sphere but as an interaction mechanism which is both economic and social in nature (following the tradition of Polanyi, Sahlins and others in economic anthropology and economic sociology) and try to analyse the normative elements inherent in this mechanism. Secondly, in order to make a sound normative judgment possible, this analysis is extended to include alternative mechanisms for the production and exchange of goods (think of hierarchies, communities and associations) and compare their normative features with those of market exchange.

The second part of the project investigates moral objections to commodification in a series of case studies (markets in health care, commercialization of media and culture, etc.), using the theoretical framework of the first part to shed light on these issues.

Expected date of defense: september 2007

Supervisor: Prof. Dr. Marcus Duwell

Utrecht University, Dept. of Philosophy

rutger.Claassen@phil.uu.nl

www.rutgerclaassen.nl

Appropriation of Profit: Bonus Politics in Financial Industry - Olivier Godechot (recently defended)

We study the distribution of bonuses, *i.e.* wage premiums, in French financial industry for the last ten years. Bonuses are both very important and very unequal. In the year 2000 in Paris, some heads of dealing rooms were granted over 10 million euros. Even if bonuses depend on results, they are not optimal incentives: their setting-up is not related to a lack of “effort.” Their correlations with security prices indicates that bonuses do not use all available information. The higher are the fixed wages, the higher the bonuses. Thus traders and salesmen acquire rents.

Therefore, to understand the distribution of bonuses, a discretionary procedure, we enter inside financial companies. We detail employees' feelings of justice, bosses' plural conceptions of bonuses, and the negotiation process involved. Also, we analyze the debates and the balance of power during the construction of bonus pools.

The organization of work is then considered as an allocation of property rights on the company's assets. These rights are the basis of both a legitimate and effective appropriation of profit. Employees who hold the most important and most detachable assets may at the same time legitimately claim the profit as the fruit of their assets, and obtain it by threatening, as in "*holdups*", to redeploy their assets internally or externally.

or:

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The formation of entrepreneurship culture: fields and networks - Efim Fidrya

This dissertation is devoted to the study of entrepreneurship culture. The aim is to reveal a set of mechanisms that constitute entrepreneurship culture and actions. Its theoretical basis is in network theory, Pierre Bourdieu's concept of the field, as well as different conceptions of capital proposed by Bourdieu and James Coleman. Due to "sociology of culture" branch of the new economic sociology (Paul DiMaggio, Viviana Zelizer) we know that there are political, economic, cognitive, cultural and social contexts of any economic action. On the basis of the first part of my field research it was established that this context is provided by networks and symbolical fields of various levels. Networks are the set of steady links between actors that regulate the flowing of capitals from one actor to another. Interactions in networks as well as the exchange of capitals and symbols are regulated by fields of different levels. A field is a symbolic reality which describes and represents actors' positions, giving them names and accessible capitals, attributing them with norms, values and socially approved behavior. Widespread symbols are shared by many network agents and form the culture of a field.

The second, and last, part of my research will show what fields and actors influence local entrepreneurship cultures and how they interact with each other. The goal is to find out how the culture of entrepreneurship network interacts with other cultures (administrative, consumer, criminal, etc) and to understand what role individual strategies of actors play in this culture.

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Young researchers are kindly requested to send in a brief description of their PhD project. Please indicate first: Name of PhD candidate, title of the project, Department, University, City, Postal Code, and email address. Then give a concise description of the project, not longer than 300 words. Please send project descriptions to be included in the next issue of the Newsletter as an email attachment to the Editor at:

velthuis@dds.nl