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Table of Contents

Note from the editor_2

Economic Discourses and Economic Dispositives

On Coordination: Stories and Meaning Making in Markets | by Sophie Mützel_4

Dispositive, Discourse and the Economy | by Dietmar J. Wetzel_10

“Days of Revelation” | by Ronald Hartz_17

Spectral Performativity | by Jens Maeße_25

How the Firm Became Consultable | by Christian Schmidt-Wellenburg_32

Justification, Conventions, and Institutions in Economic Fields | by Lisa Knoll_39

Discourse Conventions in the Construction of Wine Qualities in the Wine Market

by Rainer Diaz-Bone_46

Interviews

with Christian Bessy: Economics of Convention as the Socio-Economic Analysis of Law_54

with Claude Didry: Contributing to a Pragmatic Institutionalism of Economic Law_61

Book Reviews_69

Ph.D. Projects_80

Note from the editor

Dear reader,

Socio-economic analysis has to include the processes and devices that co-construct the collective knowledge of “economic facts”, their cognition and (e)valuation. Contemporary approaches such as Foucaultian discourse analysis conceive discourses as collective practices that build up economic knowledge and economic models actors need to coordinate and to act in economies. So “discourse” is no longer misunderstood as a more philosophical deliberation between individuals. Instead, economic discourses are empirical *orders* of economic knowledge at the meso level and macro level of economies. At the same time economic discourses are collective *practices* processing economic institutions such as markets and firms. Economic discourses are related to economic devices, instruments or tools. Michel Foucault named them “dispositives”. Economic dispositives equip the socio-technical environment of economic action. They enable actors, firms, or groups to advance economic strategies and dispositives multiply the power effects of economic discourses.

Economic discourses and economic dispositives interact in performing the economy. It was Michel Callon who introduced the notion of performativity arguing that economics is constructing the economy by bringing in its economic models into economic institutions. There were others who did pioneering research on the interaction of economic discourses and economic dispositives such as Pierre Bourdieu, Donald MacKenzie, Deirdre McCloskey, Marie-France Garcia-Parpet or Harrison White – although they sometimes used different notions for what is called here “discourse” and “dispositive”. Approaches like actor–network–theory and economics of convention focused in particular on the contributions of materialities, (cognitive) forms and objects to the construction of economic “facts”, “values” and “normativities”.

The current issue – *Economic Discourses and Economic Dispositives* – presents contributions from a still emerging field of scholars applying concepts of discourse and dispositives in the economic sociology of markets, of organizations and of economies. More and more researchers have become aware of the “discursive reality” of the economy (as well as the discursive impact of economics) and the importance of economic discourses in societies which are

pervaded by mass media and communicative dispositives (such as newspapers, business magazines, the World Wide Web and others). This is not to be confused with a revival of ideological criticism which relates ideas and world views in a too simplistic way to group interests. It is the other way round: The economy is driven by discourses and dispositives engaging actors in economic situations. Economic discourses and economic dispositives “mobilize” economic institutions as well as economic actors. As the contributions in this issue show, there is an emerging field of scholars working on a new *constructivist socio-economic perspective* on economic institutions and economic practices that centres around the notions of “discourse” and “dispositives”. This perspective therefore also offers a constructivist foundation for a *contemporary political economy*. It now integrates different analytical levels and empirical research strategies as all the following contributions demonstrate.

In the first contribution *Sophie Mützel* presents her research perspective on the discursive formation of markets. She relies on Harrison White’s model of markets as social formations and his (later) works on market discourses. Sophie Mützel combines White’s theory with the approach of economics of conventions – both share the perspective on quality definitions as social constructions – and she brings in notions from sociological neo-institutionalism and from actor–network–theory. Mützel highlights the importance of stories and metaphors in the process of market formation and the structuring of markets and organizations. She gives insights into an ongoing empirical research project in which she applies relational and structural strategies (such as topic modeling) to analyze the emergence and dynamics of economic discourses.

In his contribution *Dietmar Wetzel* works out the interrelations between economic discourses, dispositives and cultures of competition. His article offers a new approach to the sociology of markets. Referring mainly to the Foucaultian theory of discursive practices and dispositives he also applies his approach and his notion of “competition dispositives” to the analysis of financial markets. As Mützel did, Wetzel also offers methodological considerations and strategies for future research on discourses and dispositives in economic sociology. But there are also some desiderata which Wetzel identifies at the end of his contribution.

Ronald Hartz applies the concept of “collective symbols” – developed by the German discourse theorist Jürgen Link – to analyze the discursive construction of the financial crisis as a discursive event, i.e. to analyze the “economic order in times of crisis”. Starting from the astonishing observation that the financial crisis did not lead to a substantial questioning of the neo-liberal doctrine in the financial sector, he analyzes the mass media discourse about the financial crises in the course of 2007/2008 (selecting the most important German newspaper). Ronald Hartz identifies the distribution of collective symbols which enable de-normalization and normalization in the course of the crisis – thus reconstructing how collective symbols work as sense-making devices in the financial sector.

The contribution of *Jens Maeße* emphasizes the multiple ways economics can be used by the economy. His article is also a contribution to research on performativity – applying a discourse analytic and dispositive analytic approach. His interest is to extend the scope of the concept of performativity by showing that discursive practices open up a space of a plurality of meanings. As Dietmar Wetzels and Ronald Hartz do, Jens Maeße applies his discourse analytic approach to the financial sector, showing how bankers transform economic theories in different ways to generate “multiple worlds of banks”.

The object under study in the article written by *Christian Schmidt-Wellenburg* is management consulting of firms. He traces its development and introduces a discourse analytical perspective on the activities of external consultants engaged in the discursive construction of the firm and their involvement in discursive struggles and the discursive changes of the nature of the firm. He integrates the theoretical approaches of Pierre Bourdieu (field analysis) and Michel Foucault (discourse analysis and governmentality analysis), aiming for an analytical approach to processes of closure that have an impact on management and consulting. Finally, Christian Schmidt-Wellenburg characterizes consultancy as a dispositive.

Linking neo-institutionalism and convention theory, *Lisa Knoll* seeks to explore conventions as discursive logics in the field of municipal energy generation. In this field actors

have to engage in compromises and conflicts between different conventions justifying ways of producing energy. Lisa Knoll systemizes the (discursive) conventions, which are applied by actors who are responsible for emission trading in two German communities when justifying their management decisions. One result of her empirical study is the discovery of a plurality of conventions co-existing in the field under study – not only the market convention.

The last article in this issue by *Rainer Diaz-Bone* links Foucaultian discourse theory with convention theory. In this contribution it is argued that products do not determine their market value themselves, their quality cannot be deduced by the physical properties of products alone. Discursive investments are necessary in processes of the construction of product’s qualities. These product-related discourses are organized by conventions as their internal logics. As in the aforementioned article a field analysis (the German wine market) is presented demonstrating the co-existence of a plurality of co-existing “discourse conventions”.

The current issue of *Economic Sociology* is complemented by two interviews which present two representatives of the approach of economics of convention (EC). *Christian Bessy* and *Claude Didry* both represent the second generation of EC and both are members of the research laboratory “Institutions and historical dynamics of economy” (IDHE, Ecole normale supérieure de Cachan/Paris), which is a leading institution (together with the Nanterre Group) in the contemporary development of convention theory. In a way the interviews offer further insights into the work of EC in the field of the economic sociology of law which was presented in the foregoing issue 14(1) of *Economic Sociology* on *Conventions, Law and the Economy*. But the interviews will also show EC’s contribution to the analysis of economic dispositives (as Bessy did when applying the notion of market intermediaries) and to the analysis of economic discourses (as Didry did in his discourse analysis of French labor law).

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On Coordination: Stories and Meaning Making in Markets

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How do actors coordinate their actions in a nascent market, when it is unclear who the participants will be, which resources will be available and which products will be traded? Over the past 30 years, economic sociology has shown the role of social networks and institutions and has proven that markets are *social* formations. Seminal studies have also shown that markets are *cognitive* formations. According to Harrison White (1981), the key variable in the construction of markets is that participants “watch each other within a market” to obtain cues on comparable others’ actions and moves. Through the review of perceived peers, market actors are able to sort themselves into a ranking order and to establish a market niche. Markets in this view are thus constituted on the basis of observations by competing market participants. Moreover, *cultural* approaches have highlighted the role of interpretation, attributions, as well as meaning making of relationships and products. Research has shown that economic products have meaning beyond their economic value (e.g. Zelizer 1978), that products get qualified and categorized as meaning is attributed in competition (e.g. Callon et al. 2002), and that a set of conventions serve as logics and resources for evaluating worthiness (e.g. Boltanski/Thévenot 2006).

Yet what actually allows actors to draw inferences, interpret, and evaluate heterogeneous elements and thus to make connections in a nascent market? In his general theory and in extension of his general market model, White shows that stories and their interactions are the principle medium of social formations (White 1992, 2000, 2002, 2008; White et al. 2007; White/Godart 2007). In telling stories about themselves and others, actors attribute meaning to their own actions, to their relations, to products, processes, as well as to their position within these networks. In turn, relationships and involved actors are influenced by the stories told. This applies to all social actors, including economic actors. For instance, in press statements, economic actors not only tell about themselves but also give cues about how they perceive their position

in the market (what they are about, what they are not). Stories, written or spoken, help economic actors to compare themselves to their competitors and make evaluations.

This essay suggests that actors leverage culture to deal with ambiguities in the emergence of a market. More specifically, actors are involved in meaning making processes, which I suggest to trace by studying stories. An empirical focus on stories – understood here as exchanges of communications or as flows of conversations over time between different actors, irrespective of size – can connect the various approaches in the study of markets: stories connect (social), draw on repertoires or conventions (cultural), and need to be interpreted although their meaning is undetermined (cognitive). I argue that stories are both the result of actions as well as devices used for acting in the future, by way of constructing expectations or imaginations. Stories not only link together heterogeneous elements making up markets, they also help to coordinate them.

The research described here (and explored further in Mützel forthcoming) brings together insights from Harrison White’s works, i.e. the cultural turn in structuralist network thinking, with approaches in French pragmatist sociology, namely actor-network theory and the economics of convention (for a methodological overview see Diaz-Bone 2011). First, I will present different approaches to the study of, simply put, “the discursive” in “the economy”. I will then suggest a relational approach to the study of stories. In a third step, I will discuss the perspective by way of briefly introducing an empirical example.

Stories in the economy and in organizations

Over the past 30 years, we have witnessed a growing attention to the role of rhetorics, metaphors, storytelling, narratives, and discourse of economic actors. These analyses have flourished in the fields of economics, organizational studies, as well as economic sociology. Similar attention to the role of stories and narratives has been paid in studies of technical and scientific innovation. Largely, how-

ever, these developments have occurred with different aims, theoretical perspectives, and also with little interconnectedness.

Economists studying rhetorics and metaphors of the economy have highlighted the persuasive force of economic arguments using insights of literary theory (Klamer et al. 1988; McCloskey/Klamer 1995): economic models are metaphors (McCloskey 1995) and narratives of economic expertise are expressions of beliefs and, when studied empirically over time, often self-fulfilling prophecies (McCloskey 1990). Others similarly argue that we need to study the force of words, as it is an "economy of words". But rather than focusing on the literary quality and the metaphorical character of economic models, this research indicates that words of economic actors create the context for further analysis, they also communicate expectations and shape action (Holmes 2009).

Narrated expectations have, in particular, been studied by scholars interested in innovation processes (e.g. Borup et al. 2006; Brown/Michael 2003; Brown et al. 2000; Hedgecoe/Martin 2003). Understood as "forceful fiction" (van Lente 1993) or "narrative infrastructure" (Deuten/Rip 2000), a focus on narrated expectations helps to analyze the success or failure of company transformations or technological changes. In that view "emerging technologies rely on promising stories to garner support in the early stages" (Selin 2008: 1884) much like in self-fulfilling prophecies or technological visions.

Scholarship working with the performativity thesis, which states that economies are scripted and designed by economists, economic models, and theories, goes beyond mere beliefs, self-fulfilling prophecies and rhetorics (e.g. Callon 1998, 2007). Studying narratives of actors, models, devices as heterogeneous assemblages, just like in the actor-network theory program, scholars have shown how economic models create economic phenomena and shape economic behavior (e.g. MacKenzie 2006; MacKenzie/Millo 2003; MacKenzie et al. 2007). Typically, these studies focus on a single actor (non-human or human) and follow its narrative in interaction with others. Narratives in this sense provide data for further analysis; their role in meaning making is not an explicit focus of the analyses.

Stories and narratives have also become an established component of organizational analyses, which focus on processes inside of organizations (e.g., Boje 1991; Boje et al. 2004; Czarniawska 2007; Schreyögg/Koch 2005). Sto-

ries convey knowledge and create communities (Bragd et al. 2008; Czarniawska 1997). And beyond managerial storytelling as a leadership tool (e.g. Denning 2005), distributed communicative acts of organizational members are found to be constitutive of organizations (e.g. Ashcraft et al. 2009; Cooren et al. 2011). Stories are also pivotal in sensemaking as "sensemaking is an issue of language, talk, and communication. Situations, organizations, and environments are talked into existence" (Weick et al. 2005: 409). Sensemaking entails the processes by which meaning gets created and thus "the ways people generate what they interpret" (Weick 1995: 13).

Furthermore, research has shown that public stories or conversations influence other actors. For example, media reports can function as "sensemaking frames" (e.g., Fiss/Hirsch 2005). Media stories provide frames as organizing schemata that interpret events and guide action, but their meanings are in constant conflict with competing frames in other media stories. Particular "brokers", such as industry analysts, may serve as "promissory organizations" (Pollock/Williams 2010), which interpret and frame. "Dealing conversations" (e.g., Knorr Cetina 2007) between financial traders similarly present frames for interpretation. Stories help to interpret data as "calculative frames" (e.g. Beunza/Garud 2007). Moreover, models of particular processes that "frame decisions and quantify alternatives" (Beunza/Stark 2012: 388) are also stories that are interpreted by analysts.

Different types of stories exist. Some stories speak of the past, others are directed towards the future. Rather than providing an ex-post account of what happened, how that should be interpreted and made sense of, these stories are then filled with expectations about an unforeseeable future in an attempt to cope with uncertainties (Beckett 2011). We find such future-oriented stories in contexts in which something new is "emerging" such as in a new technological field (e.g. Selin 2007), when it is unclear what the new may be a case of (Kennedy 2008), who the legitimate actors are (Lounsbury/Glynn 2001), and which products and projects may be realized (Kaplan/Orlikowski 2012). Such stories then are provisional narrations, which may change over time as actors interpret and make sense (Bartel/Garud 2009) and project varyingly onto the future (Mische 2009). Moreover, the same actor may tell a different story at different times and to different others and thus signal different strategies and multiple identities. Indeed, this ambiguity can be a resource for economic activity (Esposito 2012; Stark 2009).

Stories and relational sociology

The research described here picks up the relevance of stories for describing and analyzing markets. From the perspective of relational sociology (Mische 2011; Mützel 2009), it argues for stories as primary vehicles for contextual, situational meaning making.

The perspective taken here starts out with the insight that “social action is interaction that induces interpretations and thus builds continuing relations. Thus, discourse is the stuff of networks” (Mische/White 1998: 695). Yet, how to analyze such intermingling of social relations and discursive, communicative processes? According to White (1992, 2008), networks are fluid, multilayered relational structures that are based on the attribution of meaning and also generate meaning themselves. Stories told by actors about events, actions and other actors are pivotal in these processes, as in these stories, actors attribute meaning to others and themselves. At the same time, stories help to establish an evaluation of others (what one is like, what one is not, what one wants to be), in turn contributing to the maintenance of *others'* identities. To be sure, the storyteller cannot control the interpretation of stories.

In White's market model, rivals watch each other. Their actions and their stories about these actions serve as signals to all players in the market, about their prior market situation, their current situation, their future trajectory, and also relationally affect all other involved actors. Stories in this understanding are at once about the conveyance of information and evaluation as well as the speaker's structural position. Through stories actors can take each other into account. Stories help to establish an interpretation of the perceived market structure and help to albeit momentarily stabilize market profiles, suspend competition, reduce uncertainty, and mobilize financial resources. In the long run, a market structure emerges. In sum, markets are created, used, and reproduced by participating actors in a network of stories as the principal medium of this social construction (White 2000).

This perspective resonates with ideas on distributed cognition (e.g. Hutchins 1995). Different actors have different impressions of what is happening and although ambiguities may persist, momentary comparability can be established. However, such studies have shown that not only humans need to be taken into account in such meaning making processes, but non-humans as well since cognition is distributed across humans, things, concepts. Actor-

network theory, which takes non-human and human actors into account, thus provides another conceptual building bloc for analyzing stories and meaning making in the economy. “Assemblages of heterogeneous actor” (Çalışkan/Callon 2010), including theories of organizing, tools, materials, humans, are needed to create a market. It is not stories and it is not only people that move a market. Indeed, money, organizations, tools, tests, and other non-human actors are needed as well. Though rather than “to follow the actor” (Latour 2005) in the singular, we have to take into account a plurality of stories and perspectives and a plurality of connections concomitantly crisscrossing each actor.

Stories as data

Stories here are understood as a mean to inquire into the interactional constitution over time of actors, objects, and processes, providing descriptions and indicating meaning making processes. This perspective follows a basic tenet of both structuralist network analysis and pragmatist actor-network theory: there is no a priori ascription of who powerful actors are. The analyst is agnostic; rather she follows all sorts of actors in making associations. Positions of power get established in the processes of making connections, and may only be of temporary relevance. Much like in ethnomethodology, texts serve as the actually observable data.

The texts analyzed are publicly narrated stories of actors involved in the emerging market of innovative breast cancer therapeutics since the late 1980s worldwide. “Innovative cancer therapy research” develops new molecular models and compounds. The field is characterized by high uncertainties in terms of research strategy, by high investments in terms of R&D costs as well as by high expectations in terms of economic returns once the institutional gatekeepers, i.e. regulatory agencies, approve a therapeutic form. Industry and patients alike have high hopes that widely working, non-toxic, most often targeted treatments for breast cancer will continue to be developed within the next couple of years, in addition to the currently existing treatments. To be sure, breast cancer is the most frequently diagnosed cancer and the leading cause of cancer deaths in females worldwide. In 2008, 458 000 women worldwide died of breast cancer (Globocan 2008). These hopes are supported by accounts of the financial analysts, who expect genetically engineered molecules to be the treatment with greatest utility and economic returns. Accordingly, competition between companies is intense as

each seeks to find a powerful cure while also striving to hit a financial jackpot.

The research starts from the beginning of these scientific developments and follows them as they are happening. The data set comprises 22 years (1989-2010) of stories from various types of media sources: scientific discussions; press statements of companies, which claim to do breast cancer research; newspaper reports; reports of financial and industrial analysts. In qualitative textual analyses, I analyze how actors collaboratively make sense of what they are about, by comparing themselves to others and also pointing out how they are not, and what the field of innovative breast cancer therapeutics is about. In press releases and industry analyses, they tell how their research strategy and their progress compare to others'. While doing so, these actors also tell stories about an uncertain future: they relate expectations, tell of hopes, promises, and less of fears, and give projections. Some of this talk of expectation is conditioned by legal passages, namely "forward looking statements". Most of it though is stated expectations, beliefs, and projections. These kinds of orientations towards the future from the present characterize the emergent market throughout, and propel hopes, as well as careers, financial resources, and profits. These qualitative textual analyses over time and across different storytellers thus provide for insights into issues of time and projectivity in markets.

Moreover, the stories also allow for a tracing of how the worthiness of products and actors is collaboratively being constructed amongst rivals, collaborators, clinical tests, and molecules. Patients are of particular worth, as stories connect new biochemical mechanisms with "potential wonder drugs", which may provide a cure. In turn, these patients are also "a growing market" with "profitability" attached. Another worthiness is constructed in the duality of science and business. Scientific achievements and economic successes are tightly interconnected, when molecules perform up to expectations and cause an increase in stock prices, or when molecules in clinical trials do not perform according to expectations and stock prices plummet. A third kind of worthiness is constructed in reference to the newness of a biochemical mechanism. Worthiness here relates to time, when the novelty presents a "first mover advantage". New biochemical mechanisms are also of particular worth because they do not fit into the existing categories. For example, when researchers, journalists, and financial analysts try to make sense of particular biochemical mechanisms,

they may have to revise previous analyses as new knowledge may contradict existing categorizations.

In addition to qualitative textual analyses, the empirical focus on stories over time also allows for larger scale analyses. In particular, probabilistic topic modeling (e.g. Blei 2012; Blei/Lafferty 2009; Blei et al. 2003) proves useful for the study of emerging social formations, as it discovers groups of related words in a large corpus of texts, so called topics, which can be plotted over time. Technically, these topics are probability distributions over the unique words of the corpus. The underlying idea of topic modeling and its latent Dirichlet allocation (LDA) is that each document exhibits multiple topics. While all documents in the entire collection share the same topics generally, each document exhibits the topics in different proportions. The algorithm thus generates topics from the documents rather than imposing categories a priori on the texts. Substantively, topic modeling looks for "deep structure" and patterns of meaning in a corpus of documents.¹

For example, topic model analyses on the stories of industrial analysts, in this case over 90 000 articles related to cancer and biotech between 1992 and 2010, show that expectations about the market growth in oncology were very prominent in the early 1990s and increased again after first innovative cancer products were approved by regulatory agencies. However, that topic weakens towards 2010 as few new products get approval and as the industry comes to understand that the blockbuster drug will likely not be found, rather different treatments for different molecular set-ups are needed. Drug discovery as such is a topic that increases from 1999 onwards, as research pipelines grow. Here, the intermingling of science and business is also evident.

As these brief examples from my empirical case point out, stories coordinate the nascent market as they help to make sense of what is going on. Stories are devices for acting towards and in the future as they relate expectations and imaginations about the future from the present. The construction of worthiness across different actors enables them to coordinate their actions. Albeit momentarily, the market may be about the newness of a mechanism or the economic value of patients. The market then emerges as a collaboratively created formation of rivals, which is based on observation and the telling of stories.

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Endnotes

¹Computationally, topic modeling finds the hidden structure that likely generated the observed collection of documents and words, in a reverse generative process. To do so, it uses Bayesian statistical techniques. The inferred hidden structure resembles the thematic structure of the collection. The LDA algorithm yields distributions of topics over the corpus of documents as well as lists of top terms making up topics. Topic modeling is prominently discussed in machine learning and computer science communities, where programs and codes are developed, though some applications in the social sciences (e.g. Grimmer 2010; Ramage et al. 2009) and the humanities (e.g. Yang et al. 2011) can be found as of recent.

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Dispositive, Discourse and the Economy – Conceptual Reflections with Regard to a Sociology of Competition

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1 Introduction

The current article will be explained *programmatically* insofar as a combination of discourse and dispositive analyses in the field of economics in a wider sense, but especially with regard to a sociology of competition, can be made fruitful. Embedded in this work is not only the economically relevant issue of competition in a social-theoretical framework, which is oriented to a discourse-theoretical analysis of economics. This is at best available in individual studies (Stäheli 2007, 2000). According to Stäheli, a discourse-theoretical perspective could prove fruitful in two respects: (1) A genealogy of the economy and the market could be drawn up. (2) In the context of a sociological view of economics, “discourse-theoretical consideration to produce effects in reality [could be] particularly fruitful” (2000: 71, own translation).

Post-structuralist attempts within economic sociology could show that there is not “an” economy, and moreover, that economies must always be in the plural (de Goede 2006; Ruccio/Amariglio 2003). In analogy to this, it would also be a certain essentialist abbreviation if only a one-dimensional concept of competition would be supposed as an explanation for what happens in competition in the financial markets. Moreover, the practices of competition in its diversity and the metaphor of competition in its discursive applications must be demonstrated. In order not to remain simply on the level of discursive (linguistic) analyses, however, it makes sense to include the starting thought given here with dispositive analyses in the analysis of *discourse formation*. Such dispositive analyses follow a constellational-rational procedure which is characterized by the fact that the phenomena of coming into conflict or the meeting of completely different elements, be these linguistic, material or also intellectual, are connected to one another. Structures arising (such as in trader interaction at the stock

exchange) and their transformation can be analyzed as an imminent result of the interplay and a “power play” of these elements.

Overview: Following the outline of the problem sketched in the introduction about the interplay between dispositives and discourses in the social field of economics (part 1), the next chapter shall deal with the methodical implications. It shall be argued here that a discourse-theoretical analysis of competition in the economy, more accurately as this occurs on the financial markets, is not sufficient. Moreover, the analysis of discourse information and dispositives in a comprehensive sense must be applied – and shall be added to with cultural-interpretive processes, which shall however only be outlined briefly here. Only in this way can the three analysis dimensions on the micro, meso and macro levels be captured and crossed with one another (part 2). This shall be explained with the use of an example of application in the following chapter, which deals with a sociology of competition in relation to financial markets. The competition dispositive prevailing in the financial markets can be described as hyper-agonal, since cutthroat or aggressive elements aiming to eliminate the counter elements exist within it (part 3). A short conclusion summarizes the most important insights before finally three desiderata from the research are outlined (part 4).

2 Reflections on method: discourse formations and dispositives

With regard to method, the procedure proposed here includes contemporary discourse formation developed historically in connection to the works of Michel Foucault (1973) and the sociological discourse analysis (Keller 2004, 2008). This procedure can be more accurately divided into three aspects which also explain the epistemological interests.

First, this assessment pursues a sociologically oriented discourse theory which would like to systematically define the status and the value of discourses of competition in

connection with the social construction of business reality (Landwehr 2008). Again, Foucault states that two different procedures can be identified, which stand in a complementary relationship to one another in later works: *archaeology* and *genealogy*. The discourse – which is bound by rules and is permanent – can be conceived as forms of expression which are subject to power and exclusion effects. Foucault, in his *Archaeology of knowledge* (2002), is interested above all in the materiality of discursive practices. This means practices which were and are – so to speak – deposited in documents, letters, but also in pictures etc. The storage place which Foucault describes as an archive must be found out within such a procedure: “The archive is first the law of what can be said, the system that governs the appearance of statements as unique events. [...] It is *the general system of the formation and transformation of statements.*” (Foucault 2002: 145f) In the course of his works, Foucault, however, gave more weight to – alongside the archaeological methods – the genealogical perspective which above all analyzed practices in their specific historical and social genesis. It is exactly on this interplay of discourses in the sense of systems of expression and practices in the sense of materiality which shall henceforth be discussed in a discourse-analytical perspective à la Foucault (Keller 2008). To summarize, Reiner Keller – with regard to the objectives of a sociological discourse analysis – records that it is to do with the reconstruction of the “[...] processes of social construction, circulation and imparting ways of interpretation and action on the level of institutional fields, organizations, social collectives and actors.” (Keller 2008: 192, own translation) With this, the constitutional processes of phenomena can be analyzed, how they, for example, represent markets and competition.

Second, such a procedure appeals within (1) the discourse history of competition, which crystallizes in the issue of possible sequences (as well as parallels) of cultures of competition. In this regard, an accurate discourse in historical-business change shall be undertaken empirically (Landwehr 2008). This includes the business areas of activity/day-to-day activity and the actor(s). This is less of a primarily direct description of (social) practices and far more to uncover their programmatic structuring, which has been dealt with as little as the procedures of objectifying and standardizing arising from it (Sennelart 2006). In other words: social practices cannot be deduced directly from discourses, but are formed through discourse. Through consulting and analyzing empirical studies, social practices can be prepared in the sense of a secondary analysis. ¹

Third, the analysis carried out aims to describe and identify competition dispositives which stand for both the material and the ideal infrastructures of discourses and fields of business action. These dispositives are to some extent historical and help to differentiate the general discussion about competition. Since the concept of the dispositive appears shimmering and in need of clarification, a basic understanding of dispositives shall be explained briefly here. The Italian philosopher Giorgio Agamben – who assumed that we experience a diversity of the dispositive never known and the accompanying subjectivization – characterized a dispositive with Foucault from his book *Dispositive der Macht* (1978) as follows:2

“a. [The apparatus] is a heterogeneous set that includes virtually anything, linguistic and nonlinguistic, under the same heading: discourses, institutions, buildings, laws, police measures, philosophical propositions, and so on. The apparatus itself is the network that is established between these elements. b. The apparatus always has a concrete strategic function and is always located in a power relation. c. As such, it appears at the intersection of power relations and relations of knowledge.” (Agamben 2009: 9)

A dispositive analysis of competition for me poses the comprehensive form of access in terms of method. I do, however, consider a cultural perspective to be sensible for the specific analysis of the business fields (of activity). In doing so, I follow the works of Nullmeier on the topic of *Wettbewerbskulturen* [cultures of competition] (Nullmeier 2002). Alongside the fields of activity, day-to-day routines and, above all, the perspective of the actors, are of central importance. Besides organization of fields of knowledge about discourse and practices, as well as a record of its material and ideal infrastructures, which are explicitly a subject of the dispositive analysis, a cultural perspective with qualitative differences in these particular fields can be employed. Such an analysis practically refers to the entire knowledge of the participating actors relevant to the action and thereby reconstructs the “‘calculation’ of the market actors as a result of the dominance of influence of particular interpretive concepts, scripts or interpretation samples” (Nullmeier 2000: 164f, own translation). The chart by Bührmann and Schneider (2007) can be brought in as an overview of what has just been explained (see figure 1).

See appendix, figure 1: “discursive formations”

3 Practical example: Sociology of competition/field analyses

The analyses described in detail in another context regarding a sociology of competition serve as a practical example for the above-mentioned conceptual and methodical observations (Wetzel 2013). Four different competition dispositives were described in more detail there. One of the fields examined was the economy; the financial markets were researched more meticulously within this field, and indeed from a competitive-sociological perspective. Three dimensions of analysis within the competition dispositive were compiled for the financial markets. In a first step – established on the micro level, so to speak – the subjectivization imperatives were identified, with which the different actors confront one another on the financial markets. After that the parameters of performance, success and recognition on the institutional meso level were questioned in order to finally research in more detail the mechanisms of de-stabilization and re-stabilization on the macro level, as these appear in the financial markets. In a compressed form, the results were as follows:³

3.1 Winners and losers in the logic of the subjectivizations imperative

A sociological critical view of the financial markets identifies these as defined through flexible currency exchange rates, an internationalization of the markets and – since the 1980s – through the employment of new financial products, such as derivatives. The current practice of credit conversion in bonds and their securitization are part of the effected change. By means of a constellational analysis, it can be shown that the new architecture of the finance and capital markets have had an effect on the subjectivization and power imperatives, exposing their actors like investment banks, investment consultants and private investors/persons of independent means. If there is also no automatism connected with this, increasing pressure from competition in the form of psychological power (Stiegler 2009), which affects the (competitive) practices of individuals, can be determined. The change described, which can only be called fundamental, always produces winners and losers in the logic of competitive capitalism – whether wanted or not. As beneficiary or winner in the transfer from an “embedded liberalism” to a system of global financial relations (Beckmann 2007: 31), investment banks could distinguish themselves. But the institutional investors (pension funds), the rating agencies and some of the large banks also profited from the earliest developments (Wetzel

2012b).⁴ For positive balance, one may not forget the investment consultants. They profit – inter alia – from the fact that hidden provisions do not need to be clearly identified in certificates, and in such a way can make use of grey areas in the law. In the range of risk transformers, the consultants take an interesting and lucrative mediation position between the investment banks and the private investors. The form of risk transfer practiced by the investment bankers, institutional investors and investment consultants stand opposite the recipients of the risk.

The losers include the (smaller) commercial banks, but also the investors who as tax payers are double soaked, so to speak.⁵ For one, they pay – according to the collapse in rates in the capital and shares markets – for their risky investment behavior with enormous losses in their portfolios. Investors would have to have extreme foresight and prognosis abilities in order to be able to correctly judge bets on the structured investment products (Anne T. 2009). Furthermore, tax payers were (and are) reminded by politicians of their duties for the “rescue package”. With that I come to another loser who until now believed in the winner-loser logic from outside: it is the state, which through the accumulation of gigantic mountains of debt, shall at best be restricted in its action, and at worst move from insolvency to bankruptcy.⁶ Since it no longer carries weight that, as a result of the concentration process conditional on competition, many of the smaller banks were in retrospect “too small to survive”, contrary to the large banks which were “too big to fail”. Further concentration processes produced through competition and streamlining efforts may no longer stop before the anchored three-pillar structure traditional in Germany, also in the banking sector (Fiorentino/Herrmann 2009).

3.2 Performance, success and recognition (meso level)

The regulated competition demanded and promoted on the institutional side (Münc 2009) alters the interplay between performance, success and recognition. If it is to do with appropriate recognition and reward for services performed, the competition principle seems increasingly to be the most suitable: “Competition is a dynamic process of selecting services, i.e. those among the competitors who achieve their goal deliver the best service from the perspective of those they won over. The competition between rivals who pursue the same goal takes place to induce third parties standing outside to act in a very particular way” (Hedtke 2008: 225, own translation). According to what was set out earlier, with regard to performance an ideal

description – which at the most still maintains, through its confirmation, what investment bankers and consultants want to be measured by – must be: “passion to perform” (Deutsche Bank slogan). But following what was explained, it may be doubted that it actually (only) concerns performance: have empirical studies not shown that the relationship between performance and success has moved in the direction of success? Mooslechner and Schürz are also of this opinion: “If the individualistic performance ideology actually applied, then individual failure could lead to claims being made for social fairness. Payment for bank managers are never based on performance, but on success – and this already beckons to the next bull market, to the next property bubble.” (Mooslechner/Schürz 2010: 87). Analogously to the bonus system, the malus system had to be systematically anchored in companies. Recognition refused for services not performed would be the logical consequence. In agreement with the work of Kornwachs (2009), it was shown that, in the case of credit, a primary problem arose that was surrounded by payment-on-reward systems successively in the finance industry. While bankers used to be paid for their employment, investment bankers and consultants are gauged on the collection of credit and commissions. In this respect, what actually exists is a false incentive culture which does not lead to apologies being made for individual practices, but still explains the overly subjective character of the problematic.

There are confirmed signs for a shift from a positional to a *performative cultures of competition* (Rosa 2009) in the finance industry, also and even with a view on the recognition relationships; indeed it would be beneficial to assume such a substitution. Moreover, the positional anchoring loses power in current (post-)industrial and late modern societies – the rampant credit culture can serve as an example here – but reputation, prestige and social values can be accumulated and be very useful for further recognition (we are far from the Matthews principle here). What changes, however, and wins in dynamic, is the reversibility and temporary nature of different allocations of recognition, whereby there are differences between the investment banker and the bank consultant. The former gets into the whirlpool of performative recognition relationships much faster; he is rewarded for it with high sources of income (credit). In the case of consultants we find a stronger mix of positional and performative recognition. Without such a positional anchoring and the gradual accumulation of prestige and honor, the performative culture of competition, with its allocation of recognition (in principle reversible at any time) becomes empty.

3.3 Between de- and re-stabilization: hyper-agonal (and performative) cultures of competition (macro levels)

All allocations to cultures of competition on the macro level result from many factors and analyses, which add to a complete picture in the sense of a “thick description” (Geertz 1973). Of necessity, such a description and interpretation involves a relatively high level of abstraction. Through the analyses carried out in individual parts, I have tried to sketch out the essential points; this was done using the occupation of the actors, institutions and systemic connections on the financial markets. In this field, which can be identified as *financial market dispositive*, clear movements and changes have taken place since the 1980s, which Beckmann (2007) gathers and sets out in the following way: “All in all, since the 1980s increased competition between different companies under the conditions of liberalization and deregulation and greater pressure from financial asset holders for higher interest rates have led to the increased significance of financial institutions as opposed to savings institutions. At the same time, confirming credits offers the creditors the advantage of minimizing the risk of loss.” (Beckmann 2007: 45, translation by Dietmar Wetzel)

The overall diagnosis of increased competition shall be continuously confirmed by all actors, since competition is now more globalized (Brugger/Rigassi 2005). Following the concept introduced by Nullmeier (2002), it is therefore closer to speak of the courses of a hyper-agonal competition which proceeds in an *aggressive-positional* way and from time to time leads to a “ruinous competition” and to what Hyman Minsky has already analyzed as a systemic-related destabilization. This competition is hyper-agonal precisely insofar as the removal of rivals is taken into consideration just as one’s own. These results demand a further differentiation, however. On the financial markets we meet a (hyper-agonal) culture of competition which must be divided in accordance with the differentiation according to different cultures of competition by management and competition practices in different dimensions. Therefore increased competition arises in at least three regards, following and continuing from Beckmann (2007: 45f): (1) *Increase in competition* between actors: Different finance companies like investment banks, pension and investment funds, insurance companies and also commercial banks compete among each other, ignoring market entrance barriers. Banks often achieve(d) security in competitiveness through neglecting to form equity capital, which proves to

be problematic as soon as competitors equipped with little equity enter the market. On the other hand, however, a high proportion of equity can increase the chances of competition, since security in business practices can be guaranteed and customer trust can be generated. In the past with Basel I and II, and in the future with Basel III, the political side will try to stop institutions from being under-equipped with equity. (2) *Increase in competition through globalization driven by the financial market*: Financial globalization has increasingly established competition going beyond borders (Beckmann 2007). This pressure of competition, which the actors had to pick up on, accelerated mergers and concentration efforts. This deals primarily with a forced competition subject to the market actors (investment bankers and bankers), in which they strive to be the best and most successful on the market as profit maximisers (Stiglitz 2010). (3) *Increase in internal competition and strategic cooperation*: In the current analysis, the large banks and the investment banks above all have been focused on as central actors in the finance market dispositive. Not least the tendency to merge (but also for instance the hostile takeover of Dresdner Bank by Commerzbank) provides evidence of a concentration and hegemonic efforts. Adventurous expectations of returns are expressed (example: Deutsche Bank) and rewarded by the market with an increase in profits. On the other side, the competitor's "true art" often exists in withdrawing the competition in order to be able to act in the least harmful way possible. Through a mixture of competition and cooperation, perhaps the goal set by the BIS (2009: 141) – that is, to guarantee a "system with functioning competition" – could also be achieved, contrary to a hyper-agonal culture of competition.

4 Conclusion and desideratum of the research

As has been shown, dispositive research following a constellational-rational method can be of great use for exploring the economy, more precisely in the present connection for exploring the financial markets and competition. This more accurately puts discourse formations made up of dispositives, discourses and social fields (of action) in relation to one another. The competition culture in the finance markets identified by means of the dispositive analysis could be shown to be hyper-agonal, whereby this diagnosis was further specified in order to be able to give more accurate information about intensifying competition. Three aspects seem to me to be insufficient, however, or to have

found too little access, and give rise to the need for further research.

(1) The dispositive research could be more precise than it is to date connected with culturalistic-qualitative assessments. Only in this way can the interplay of infrastructural and discursive practices set out interpretively from subjects be examined meaningfully, in a field-specific and detailed way.

(2) Competition dispositives cannot only be differentiated between different social fields; moreover, these should be situated more strongly than they have in the past in order to gain depth of field.

(3) Last but not least, (competition) dispositives could be researched in a way comparing cultures in order to be able to bring out national differences and similarities better.

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Endnotes

1Or even directly with procedures of qualitative social research, above all collected by means of ethnographic procedures (Hammersley/Atkinson 2007).

2Cf. the work of Gilles Deleuze, *Qu'est-ce que un dispositive?* (1989).

3The following reports in this part represent a slightly revised version from my postdoctoral thesis relating to qualification as a university lecturer (Wetzel 2013: 133-136).

4In doing so it may not be forgotten, however, that investment banks and institutional investors are also to some extent wasted through the market's financial and economic crisis, or have recorded high losses. At the same time they are currently (early 2010) increasing the signs for successfully maintaining the market and renewed profits.

5In the course of the financial and economic crisis, it came to a clear up of the market which may offer the smaller commercial banks better chances in the market in future.

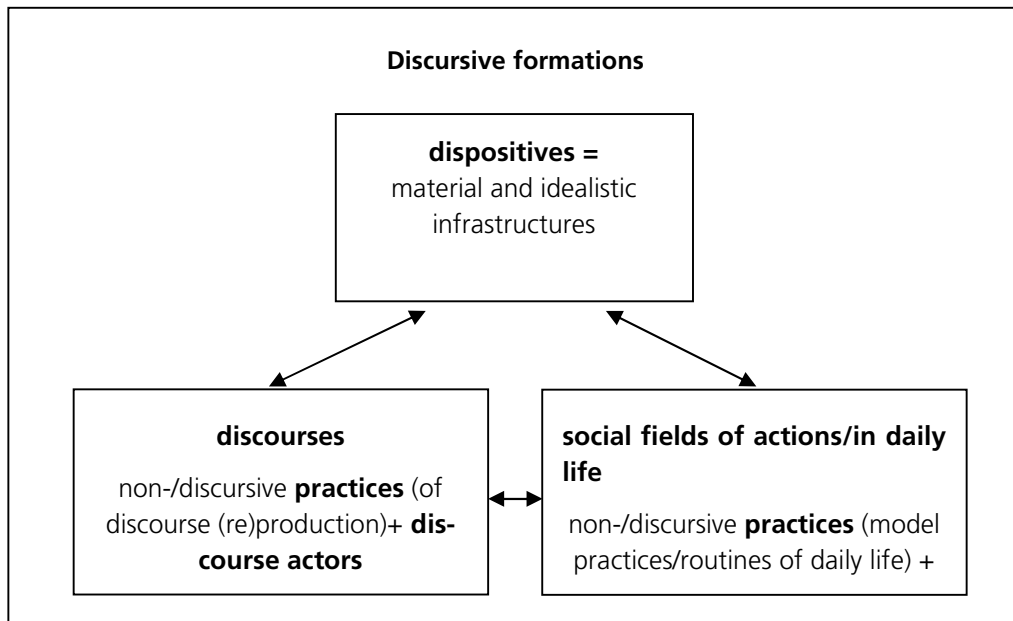
6(Hyper-)Inflation and deflation are the spectres which could strike us in the short or long term.

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Appendix

Figure 1: Discursive formations



Bührmann/Schneider (2007)

“Days of Revelation” – Remarks About the Share of Collective Symbols in the Discursive Construction of Economic Crisis

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Introduction

My personal point of departure to reflect and to scrutinize the discursive fabric of the economic order in *times of crisis* is linked to the so called Global Financial Crisis (GFC). The initial interest to analyze the discursive fabric of the GFC was driven by two observations. First, at the latest with the insolvency of Lehman Brothers in September 2008, the discourse about the GFC and its causes and consequences dominated the political agenda and has become a major topic in the mass media discourse. After Lehman one could get the impression that the crisis marks a critical historical moment and a “state of emergency” (Foucault 1977), putting into question the prevailing economic sphere, i.e. its discourses, forms of practices and ways of subjectivization. The GFC was seen as a challenge for the global economic order and specifically “a major crisis for the set of economic ideas that have ruled the Western world and many other parts of the world since the late 1970s.” (Crouch 2011: i; see also Beckert 2009; Gamble 2009; Morgan et al. 2011). Hence, the GFC was also a crisis of the dominant neoclassical and neo-liberal economic discourses (Patomäki 2009; Lounsbury/Hirsch 2010; Fairclough 2010) and consequently of the “cognitive infrastructure” of the financial world (MacKenzie 2009: 178). Beckert concludes that “[t]he speed at which neo-liberals call for massive Keynesian interventions in order to stabilize the demand was breathtaking. There was a disregard of all dicta of economic policy of the last 30 years.” (Beckert 2009: 138; translation by Ronald Hartz)

The second, somehow contrary impression was that the neo-liberal doctrine could likely sustain their hegemonic position. That is, it seems that the GFC did not delegitimize neo-liberalism and the market economy at all. For example, Parr asserts in 2009 that we are witnessing a process of

discursive “(re-)normalization”, which suggests a “convalescence” of the liberal order (Parr 2009). More dramatically, it seems that we are actually in a situation where in the context of the debt crisis “the blame game has shifted” (Morgan et al. 2011: 148) and the aftermath of the crisis can be characterized by welfare cuts and privatizations, i.e., an ongoing process of neoliberalization (Patomäki 2009; Crouch 2011).

On a more general level, these two lines of observations and analyses of the GFC brought to mind the historical, and to some extent, contingent nature of the economic order and its established practices and discourses (Foucault 1974, 2008). Understanding the GFC as a (contested) discursive event makes evident that economic processes and events, as well as the associated organizational activities are culturally embedded and treated semiotically in many different ways (Jessop 2004; Amin/Thrift 2004a; Fairclough 2006). If we take into account that “[w]ork on the image [...] becomes a prime activity of capitalism” (Amin/Thrift 2004b: xxi) then the “role [of] semiosis [...] in construing, constructing, and temporarily stabilizing capitalist social formations” (Jessop 2004: 159) is a starting point for a critical discourse analysis of the economic order in times of crisis. On this general backdrop, this article presents some selected qualitative results of an empirical study analyzing the mass media discourse about the GFC in Germany. The general aim of the study is the identification of the specific construction of the GFC and of discursive strategies both promoting the stabilization and (re-)convalescence of economic order (Hartz 2012, forthcoming). In the progress of the exploration of the empirical material it becomes obvious that the construal of the GFC through „collective symbols“ plays an important role in the discourse.

In the following I will focus on the employment of “collective symbols” in the course of the crisis discourse. The next section introduces the concepts of “normalism”, “collective symbols” and “interdiscursivity” as developed by the literary scholar Jürgen Link. After this is done I will introduce the empirical material and, in short, the analytical

proceedings. In the remainder I will present selected qualitative findings and end up with some short concluding remarks.

Conceptual background: "normalism", "collective symbolism" and "interdiscursivity"

Following Foucault, Link (Link 2009a; Jäger 2012: 53-55) understands the concept of "normalism" and "normality" as a "basic element of modern societies" (Link 2009a: 17).¹ The idea of "normality" is both an answer and inextricably linked to the dynamic development of the modern society, most obvious in its focus on (exponential) growth, acceleration and flexibilization, which always bears the danger of processes of "de-normalization" and social distortion, crisis or revolutions. In dealing with and facing the "productive chaos" (Link 2009a: 323) of modernity, the evaluation (statistical, juridical, through mass media etc.) of, e.g., personal attitudes, individual and collective behavior, economic activities or societal change in their relation to dominant societal conceptions of normality and aberration, e.g., sexual orientation, work ethics or managerial virtues (Boltanski/Chiapello 2006) play an important role in the adjustment, regulation and, consequently, the continuation of the modern social fabric.

Societal discourses are crucial for the construction and prolongation of concepts of normality and consequently the practices of "normalization" and the regulation of the "chaotic modernity". Link differentiates between "specialized discourses" and "interdiscourse" (Drews/Gerhard/Link 1985; Becker/Gerhard/Link 1996). Modern cultures are characterized by a differentiation of knowledge and the establishment of specialized, i.e. scientific discourses. The integration of specialized discourses in a selective and rather simple way (i.e. via a reduction of complexity) and the cultural and everyday knowledge is achieved through the interdiscourse. Thus the interdiscourse represents the knowledge of a culture at a given time and plays a major role in the integration and stabilization of whole societies. Having said this the interdiscursive fabric of normality and normalization serves as a basal mode of societal "association", that is "a coupling of the individual and the collective subject" (Link 2009a: 456). The modern mass media function as a major player in terms of this "association" (Link 1982, 2009a: 363-364). One key element of the interdiscursive construal of normality and aberration is the usage of collective symbols (Link 1978, 1983; Drews/Gerhard/Link 1985; Becker/Gerhard/Link 1996; Link 2009a: 363-387).

Link defines "collective symbolism" as the interdiscursively, collectively shared repertoire of allegories, emblems, metaphors etc., that is pictoriality ("Bildlichkeit") of a society at a given time (Drews/Gerhard/Link 1985; Becker/Gerhard/Link 1996). Mostly collective symbols can be understood as collectively passed on and used cultural stereotypes or "topoi" (Drews/Gerhard/Link 1985: 265). For example Link and others identify technical vehicles (cars, ships, buildings, planes, submarines) and body metaphors (organism, illness, virus etc.) as source for collective symbols (Link 1978; Drews/Gerhard/Link 1985). Its interdiscursive usage brings on analogies through catachresis ("Bildbrüche"), e.g. symbolizes refugees as "flood" or a recession as "virus" (Link 1978). Thus collective symbols function as a basal element of the social construction and interpretation of the social reality, not at last in terms of a (ex post) construction of normality or aberration. As Link puts it: "The as-sociative function of a culture, which includes the integration of individual and collective subjectivity, is guaranteed by the interdiscourse in the first place. The given collective symbols are a kind of condensed interdiscourse. Hence the given character of normalism of our culture is visible in the functioning of its collective symbols." (Link 2009a: 374)

In turning back to the GFC it can be claimed, that this major economic crisis proceeds in the mass media as an expression of economic (and societal) de-normalization which calls for strategies of normalization, that is the convalescence of the economic order. Thus an analysis of the usage of collective symbols can lead to new insights into the discursive fabric of societal and especially economic crisis.

Corpus and analytical remarks

The following analysis is based on a corpus of the discourse concerning the GFC in the *Frankfurter Allgemeine Zeitung* (FAZ) from July 2007, the first appearance of the term "financial crisis", to December 2009. In terms of its self-positioning but also with respect to how it is perceived from outside, the FAZ can be considered a leading daily newspaper in Germany, one which is important for public opinion, journalists and for the political and economic elite. In addition to their nationwide circulation and their influence on social elites, leading media play a significant role as far as agenda setting is concerned as well as in the framing and treatment of socially relevant topics (Fairclough 1995; Silverstone 1999). Thus, the FAZ proves to be in its importance as a leading newspaper a significant me-

dium to gain insights into the interdiscursive fabric and the usage of collective symbols in dealing with the GFC.

The total corpus, established first by using the keyword „financial crisis“, comprises approximately 10 800 articles, which were made accessible for processing using QDA software (NVivo 10). Therefore, the articles were stored according to their month of publication and named after their day of publication in order to process a detailed reconstruction of the course and transformation of the crisis discourse. A chronological and iterative reading of the articles took place in the context of the initial study with the aim of capturing the discourse’s basic transformations, displacements and argumentative figures and shifts (Hartz 2012, forthcoming). This reconstruction focused on the identification of discourse fragments and strands (Jäger 2012), an explorative collection of collective symbols, and on the modi of representing markets and agents (discourse in the strict sense) and the related genres and identities (Fairclough 2003).

For the following exploration of the system of collective symbols, I apply the general scheme or topological description of the system of collective symbols as proposed by Link (Link 2009a: 363-377; Jäger 2012: 55-63). Very roughly, Link differentiates between three topological (and analytical) dimensions, linked to different kinds of collective symbolization. The totality of symbols represents the synchronic system of collective symbols (“syykoll”) of a given time at a given society. For the analysis at hand I overtly refer to the first topological dimension:

(1) Inside-outside: collective symbols which depict the own society or culture are characterized by ascribing agency to the system and by the overall usage of technological (car, plane, submarine, machine etc.) or corporal images (body, blood, heart etc.). On the contrary, the outside is the area of chaos and of anonymous forces which threatens and potentially intrudes into the system (“flood”, “storm”, „virus“, „cancer“ etc.). Accordingly the inside can become instable or de-normalized.

(2) Left-centre-right: the horizontal dimension of the system; collective symbols which construct the status of the system in terms of its political or ideological situation.

(3) Downwards-centre-upwards: collective symbols which construct the system in terms of its development in time normally refer to images of progress („engine“, „light“) or regress („medieval age“, „stone age“).

In order to explore some aspects of the system of collective symbols, the corpus was processed as follows:

- Explorative notation of striking symbolization of the GFC during the reading of articles;
- make up of lists of the diachronic usage collective symbols;
- Identification of dominant collective symbols for every month with the help of the word frequency query of NVivo (minimum length: 5; most frequent 1000);
- Further identification of the most important symbols in terms of their overall quantity with the help of the text search query of NVivo.

The following presentation of the qualitative findings focuses on two aspects:

- An overall description of the usage of collective symbols in the progress of the representation of the GFC;
- A synchronic and diachronic overview of dominant collective symbols.

Selected Qualitative Findings

(a) The general usage of collective symbols in the progress of the GFC

The diagnosis of an overlapping of the „subprime problem“ with the (global) markets in *July 2007*, indicated by the announcement of major losses on hedge funds by Bear Stearns, marks the first *discursive event* which leads to a representation of a „de-normalized“ market. The markets are symbolized as „sick“, „having a temperature“, „maelstrom“, „[being a] downward spiral“, an „engine [that] came to a halt“ or as suffering a „chain reaction.“ „Financial alchemy“ was used to „camouflage the risks“. These accounts draw a line between a „healthy“, that is a „normal“ market development and its de-normalized other. Spring 2008, with the decline of house prices, the nationalization of Northern Rock (March 2008) and the takeover of Bear Stearns (April 2008) marks a second amplification of discursive activity. In terms of collective symbols, the „new wave“ „came as a blow“ and „we“ are witnessing a „sellout“, „sense of alarm“, „shock wave“, „horror“, „virus of recession“, „crash“, „fall“, a „shiver“, „gnashing of teeth“ and the danger of a „meltdown“. Finally, the

collapse of Lehman, the bail-outs of Freddie Mac and Fannie Mae and the takeover of Merrill Lynch and HBOS lead to a „rude awakening.“ The usage of collective symbols to represent the market gained its peak: we are „looking into the abyss“ and seeing „the dark side of the moon“, the „downfall of titans“, a „conflagration“ and „ground motion“ of the „fundament“, how „columns after columns“ of the financial world falls, the „death“ of investment banks, an „exodus“ and „state of emergency“. We are living „after the doom“. In parallel it is possible to observe the frequent usage of symbols of normalization and a diagnosis of a return to „normality“. Thus, from time to time, the stock markets are in a phase of „recovering“ or „bottom formation“. Additionally, governmental actors and central banks are symbolically introduced as „regulators“ or as „healer[s]“ bringing „relief“ to the markets: “After the decisive cash injections of the central banks around the world, the stock markets start a cautious comeback on Monday. Investors state that the help for the banking system and its protagonists [...] has brought relief“ (13th of August 2007).

(b) Synchronic and diachronic overview of the most prominent collective symbols

The following table represents an explorative ranking of the 20 most frequently used collective symbols in the analyzed corpus (see appendix, table 1: Diachronic overview of prominent collective symbols). On the backdrop of the explorative lists of symbols and a word frequency research, this synchronic list was conducted via the text search query using different search strings and wildcards. Furthermore, the symbols are assigned to its underlying pictorial frame [„Bildfeld“].

First, it is obvious that the identified most frequently used symbols refer to a number of pictorial frames which indicate the interdiscursive elements in the discourse about the GFC. In short, the discourse draws on the following three frames and interdiscursive images with some visible overlapping:

- Medicine: recovering, collapse, shock, injection, ailing, infection;
- Nature: pressure, break-in, bottom formation, outbreak/ eruptions, disruptions, turbulences, dead water, rescue parachute;

- Technology and „techno-vehicles“: pressure, support, imbalance, turbulences, collapse, break-in, downfall, regulation, chain reaction, meltdown.

Secondly, we can identify collective symbols which are used to describe a process of de-normalization and symbols which call (again) for a normalization of the financial markets:

- De-normalization: pressure, break-in, collapse, ailing, turbulences, outbreak/eruption, shock, imbalance, downfall, disruptions, infection, chain reaction, meltdown;
- Normalization: recovering, support, regulation, bottom formation, cash injection, rescue parachute.

Supporting the explanation of Link, the destabilization, i.e. the de-normalization of the financial markets is depicted through anonymous, more or less chaotic forces which are hard or not to control. By contrast some of the symbols used to represent a possible or ongoing process of normalization point to governmental activities (cash injection, regulation) whereas others (recovering, bottom formation) suggest the „self-healing“ of the economic order.

Finally, it is possible to distinguish between three different shades of de-normalization and its respective collective symbols, signaling the impact and the „danger“ of the crisis:

- Weak de-normalization: pressure, ailing, turbulences, imbalance, disruptions, infection;
- Strong or accelerated de-normalization: break-in, outbreak/eruption, shock, chain reaction;
- Chaos and „death“: collapse, downfall, meltdown.

In turning to some diachronic results, figure 1 illustrates the advancement of the use of the prominent collective symbols, summarizing the symbols of de-normalization (n=9194) and normalization (n=6148):

See appendix, figure 1: Summarized diachronic overview of prominent collective symbols (number per month)

First, the chart illustrates that the amount of symbolization in absolute terms relates to the major discursive events, as described at the beginning of this section. We can identify a first amplification in spring 2008, followed by a decline in

summer 2008. The „collapse“ of Lehman leads to a peak of the use of collective symbols in October 2008, followed by a massive decline from November 2008 onwards. Therefore it can be claimed that the declaration of a major economic crisis leads to a proliferation of collective symbols and an increase of interdiscursive elements in the economic discourse in order to make sense of the crisis. Secondly, we can scrutinize a more or less parallel quantitative development and connectedness of collective symbols of de-normalization and normalization which emphasizes its system-like character. Hence, especially in times of crisis and of its major discursive events, the symbols always point to a potential (e.g. recovering, bottom formation) or necessary (e.g. cash injection) normalization. Finally, it is to note that from the emergence of the crisis discourse in terms of a „financial crisis“ in July 2007 until spring 2009 we can see a relative dominance of a symbolization of de-normalization. From March 2009 onwards there exists an equivalence of both directions of symbolization or a slight dominance of collective symbols of normalization. Possibly this signals an assumed end of the crisis in the near future or at least a return to „normality“.

Final remarks

Although the selected qualitative results give only a rather sketchy overview about the role of collective symbols in discourses about economic crisis in general, and the GFC in particular, it points to the importance of collective symbols as sense-making devices and in stabilizing the social fabric. In general, the frequent use of symbols seems to follow a dialectic of „shock and therapy“ (Mellencamp 1990). On the one hand, collective symbols of the medical, technical or natural sphere represent the „shock“ in reference to the GFC and, on the other hand, they also provide the ground for the „therapy“ through „cash injections“ or „bottom formation“ to overcome the crisis. This points first to the parallelism of the discourse about the GFC to other „breaking news“ similar to, for example, the Challenger disaster, the Persian Gulf War, the death of Princess Diana or the swine flu (Parr 2009), where the mass media played a „crucial role [...] in helping move whole populations from crisis to continuity“ (Zelizer/Allan 2002: 4). As such, the frequent usage of interdiscursive collective symbols indicates their essential role in making sense of the social fabric. Secondly, the symbolic order of the crisis highlights that “[t]here is no liberalism without a culture of danger“ (Foucault 2008: 67). That is to say that „individuals are constantly exposed to danger, or rather, they are conditioned to experience their situation, their life, their present,

and their future as containing danger“ (Foucault 2008: 66). As Stäheli (2011: 281) explains, the „neo-liberal“ subjects „are confronted with [...] a logic of creative responsibility and, at the same time, a logic of thrill and excess.“ Thirdly, the overall function of the highlighted symbols seems to naturalize the crisis via its pictorial framing in medicine, technology and nature. Hence, the analysis of the synchronic system of collective symbols can play a critical role in exploring a specific aspect of the role of (mass media) discourses in the course of this naturalization. Finally, there are at least three directions for further research. First, it could be of interest to historically compare the collective symbols of the GFC with other (economic) crisis discourses and its pictorial framing, e.g., the „crash“ of 1929 and the „great depression“, the „tulip mania“ 1634-1637 or the „south sea bubble“ 1720. Furthermore, in reference to the „pictorial“ or „iconic turn“, the analysis of iconic elements could probably enrich and complement the overt focus on written language of previous analyses of collective symbols (Parr 2007; Maasen et al. 2006; Link 2009b). Finally an exploration of the synchronic system of collective symbols in economic order in „normal“ times (e.g. Parr 2007) can stress the overall importance of the symbolization of economic processes and enables a comparison with discourses of de-normalization in times of crisis.

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Endnotes

1All quotations are translated by the author.

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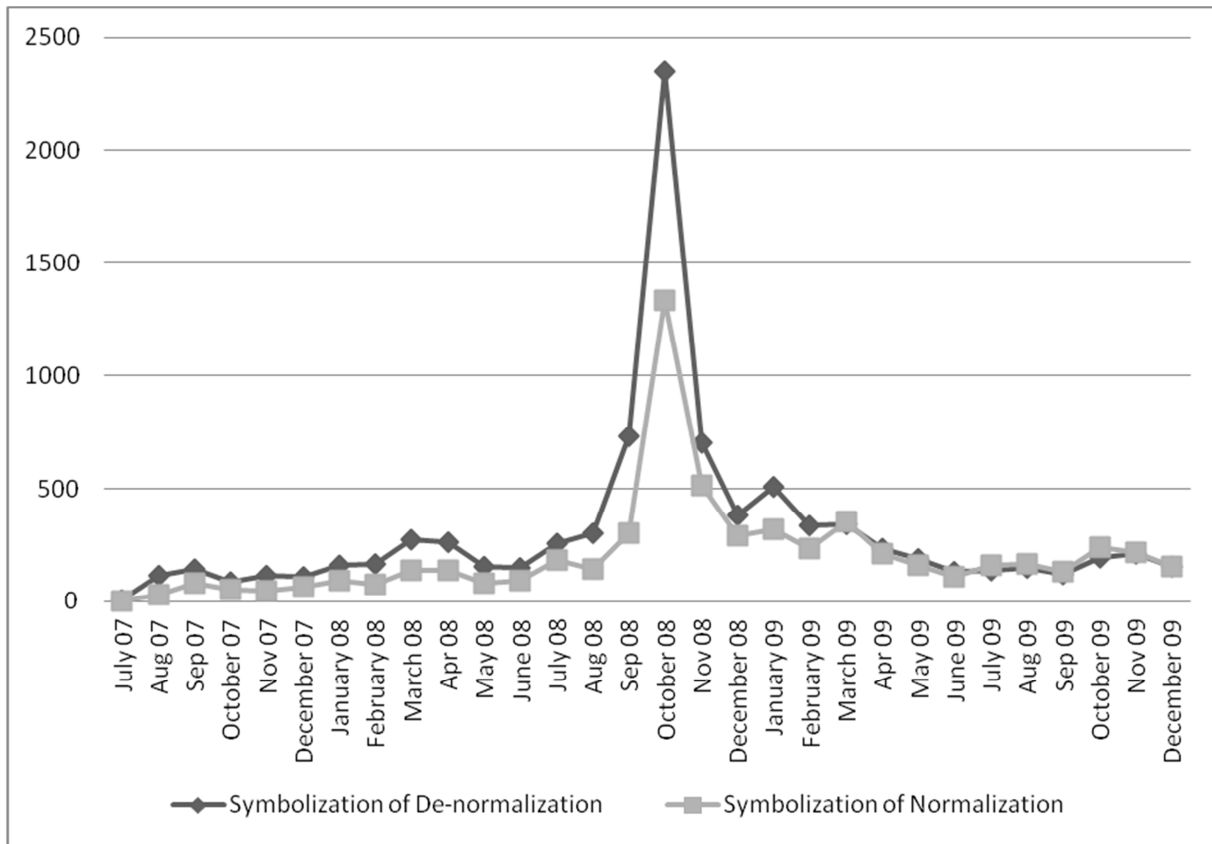
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Appendix

Table 1: Diachronic overview of prominent collective figures

Ranking	Pictura and search strings	Pictorial frame [Bildfeld]	Overall quantity July 2007-December 2009
1.	Recovering [Erholung OR erhol*]	Medicine	2133
2.	Pressure [Druck]	Nature, Technology	2047
3.	Support [Stütz* OR stütz* OR gestützt]	Technology (Buildings)	1582
4.	Break-in [Einbruch OR Gewinneinbruch OR einbrechen OR eingebrochen]	Nature, Technology (Buildings)	1478
5.	Regulation [Regulier*]	Technology	1324
6.	Collapse [Kollaps OR Zusammenbruch OR zusammenbrechen OR zusammengebrochen]	Medicine, Technology (Building)	1241
7.	Ailing [angeschlagen*]	Medicine	1111
8.	Turbulences [Turbulenz*]	Technology (Aircraft), Nature (Weather)	949
9.	Bottom Formation [Boden*]	Nature	782
10.	Outbreak /Eruption [Ausbruch OR ausbrechen OR ausgebrochen OR ausbricht]	Nature	553
11.	Shock [Schock*]	Medicine	484
12.	Imbalance [Schieflage]	Technology (Shipping)	367
13.	Downfall (Untergang OR untergeh* OR unterging OR untergegangen)	Technology (Shipping)	284
14.	Disruptions [Verwerfung*]	Nature (Geology)	284
15.	Dead Water [Sog OR Abwärtssog]	Nature	197
16.	Cash Injection [Geldspritze* OR Finanzspritze*]	Medicine	192
17.	Rescue Parachute (i.e. Rescue Fund) [Rettungsschirm]	Nature (Weather)	135
18.	Infection [Ansteckung* OR anstecken* OR ansteckt OR anstecken]	Medicine	86
19.	Chain Reaction [Kettenreaktion]	Technology (Nuclear Power)	72
20.	Meltdown [Kernschmelze]	Technology (Nuclear Power)	41

Figure 1: Diachronic overview of prominent collective symbols



Spectral Performativity. How Economic Expert Discourse Constructs Economic Worlds

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Whereas classic studies of economic performativity inquire the influence of economic ideas on the economy, this contribution will focus on the multiple ways economics can be used by the economy. Taking some explorative interviews with economists from three investment banks as well as empirical studies from economic sociology as the point of departure, I will argue for the idea of “spectral performativity” by sketching out how “economics” is translated by banks into heterogeneous forms of meaning.

1 From semantic performativity to spectral performativity

Since Austin’s speech act theory performativity usually refers to the pragmatic and action-oriented character of language and speaking. Through the use of language we are performing things such as a “marriage”, a “bet”, or a “contract”. In the “Archeology of knowledge” Foucault (1982) takes Austin’s speech act theory as a starting point for the theory of discourse. According to Foucault, a discourse consists of statements which can be used in different contexts to construct meaning. Therefore, discourse does not mirror the social world but constructs it through discursive formations. Having Deleuze (and Foucault) in mind, Callon (1998) argues for the constitutive character of economics’ knowledge. Economic theory does not describe the market but “performs, shapes, and formats the economy” (Callon 1998: 2). The performativity thesis in economic sociology is usually understood as semantic performativity: economic theory is a resource to construct a social reality – a “free market” – according to the ideas of neoclassical economics: rational actors, equilibrium market, marginal calculation and so forth. This interpretation of performativity theory is encouraged by Callons’ illustration of the construction of the strawberry market:

“The conclusion that can be drawn from it is extremely simple yet fundamental: yes, homo economicus does exist; he does not describe the hidden nature of the human being. He is the result of the process of configuration, and the

history of the strawberry market shows how this framing takes place” (Callon 1998: 22).

Donald MacKenzie’s advancement of Callon’s performativity thesis seems to agree with this semantic understanding of performativity when he distinguishes between one proper form of performativity – Barnesian performativity – and three deviant forms of it, whereas Barnesian performativity is defined as follows: “practical use of an aspect of economics makes economic processes more like their depiction by economics” (MacKenzie 2006: 17).

This semantic performativity occurs to be questionable from a discourse analytical point of view because the conceptual point of speech act theory as well as discourse theory concerning the relationship between form and content, language and use, economic theory and its meaning is quite contrary. This relationship has never been seen as identical as semantic performativity obviously does. Like in Rorty’s (1981) critique of traditional philosophy as “The mirror of nature” the economy seems to be the mirror of economics. On the contrary, discourse theory has always insisted on the heterogeneous character between the different layers of discourse (Angermüller 2007). According to the indexicality principle in ethnomethodology, the opposition between form and content in discourses is a necessary requirement for the ability of discursive forms to create different meanings in different contexts and not an identical meaning in different contexts as semantic performativity presupposes. Discourse and performativity are not like a theme or a topic which enter into different social worlds without any transformation of content; the discourse is furthermore a relationship of “discontinuity” (Foucault 1982) between the form of language and its meanings that arise out of the different uses which the formal rules of discourse make possible. Therefore, performativity always has a spectral character insofar as the form of language opens up a field for several meanings. In contrast to the semantic understanding of performativity, for spectral performativity the connecting line between economic theory and the economy is not semantic content but the discursive forms, namely as a “model”, a “formula”, a “theorem”, a “school”, or a “paradigm” and so forth.

On the other hand, performativity theory in the way MacKenzie and Callon have it presented cannot be reduced to this semantic character because both delineate the constitutive character of economics for autonomous practices in financial markets as well. In several studies MacKenzie and others have accounted for the different functions of economics in markets. As Kalthoff (2005) has shown, market practices in the economy are practices in their own right and follow particular logics of classification which are not deduced by neoclassical rationality (Vormbusch 2012). This autonomous character of market practices has also been shown by economic discourse analysis where discursive regimes of classification – “conventions of qualities” – construct values which can be transformed in market prices (Diaz-Bone 2009, see also the contributions in Diaz-Bone/Krell 2009). Nevertheless, as MacKenzie and Millo have argued, economic theory has played a central role in constituting huge parts of the economy as we know it today, even if not in the way economists would have intended.

“In fact, as financial risk management proved to be useful in different arenas in and around the market, the accuracy of the predictions it produced, even during critical times, was much less salient than one might expect” (Millo/MacKenzie 2008: 3).

The constitutive but non-semantic character of economics has been discussed in several contexts. Whereas some empirical studies have illuminated the close relationship between economics and the economy (Muniesa 2007), others have shown that neoclassical inputs do not exert any influence on the practices of calculation in financial markets (Vormbusch 2012). In contrast to economically rational calculations in markets, studies in economic sociology have insisted on the autonomous character and multiple outlooks of different markets where economic outcomes are the product of epistemic practices (Kalthoff 2005), the framing activity of economic experts (Beunza/Gerud 2005; Wansleben 2011), the communicative and signaling role of prices (Langenohl/Wetzel 2011; Mützel 2009) and the interpretative function of conventions (Diaz-Bone 2009).

Whereas some studies seem to abandon the idea of performativity of the economy by economics, others nevertheless insist on it and extend this concept to other realms of the social such as the state, healthcare, or security (Fourcade 2013, see also the governmentality studies). From a discourse analytical viewpoint, I see four reasons not to

abandon this concept but to keep it in mind as “spectral performativity” and develop its potential for economic sociology in particular and for social theory in general:

(1) By studying the relationship between the economy and economics Callon contributes to more than a proper sociological analysis of the market. He accounts for the changing role of economics in contemporary global societies as well and opens up economics for a sociological understanding (see the contributions in Maeße 2013a). However, Callon’s performativity thesis can be seen as a plea for collaboration between economic sociology and the sociology of science and humanities.

(2) The neoclassical criterion for an “economic theory” is invalid from a historical, an economic-disciplinary and a sociological perspective (Fourcade 2009; Hesse 2010; Pahl 2011; Maeße 2013b; Krell 2013). On the one hand, economic theory is also influenced by Keynesianism in its different versions; on the other hand, management and business theory, which is strongly influenced by organizational sociology, is also part of economic science. Economics is not an intellectual monoculture. Last but not least, applied economics has been developed as a distinct kind of expert discourse in the course of the establishment of economic steering after World War II and should be treated as a particular disciplinary culture. Economic theory thus has a long history and diverse social and academic origins.

(3) If we refuse semantic performativity and replace it with spectral performativity, we will be able to acknowledge the different forms of discursive classification in markets, the state and the public on the one hand, while studying both the hidden and obvious relationships those practices have to economic theory on the other hand. Even if market practices and calculations are not “economically” in the eye of the sociologically trained scholar, does it necessarily imply that economic science does not play a role in it?

(4) Economics fulfills several roles in the state, the economy and other social realms, either as a source for classification, or as an instance for legitimacy and authority (Nonhoff 2012). To make economics play this role(s), it must be able to change its purely academic meaning according to the structures of relevance of the social contexts in which it is inscribed (Maeße 2010, 2012). Therefore, from a discourse analytical point of view, we do not study the same economic meaning in different contexts, but rather the transformation(s) of meaning(s) which economic models, texts

and symbols carry out by circulating throughout the scattered geography of the social.

In the following chapters I will outline how economic expert discourses construct different economic worlds in a bank. I focus on the spectral character of performativity and will delineate the transformations of economics into different types of applied knowledge. The following chapter outlines several organizational contexts in order to clarify the varying goals, objectives and financial practices present in banks. The third chapter investigates different economic expert discourses, and examines how particular forms of economic analysis construct particular economic realities. The fourth chapter discusses the relationship between the origin of different expert discourses and their application.

2 The multiple economic worlds of banks

The bank is involved in different discourses on different economic worlds, for instance, the “everyday life” of households, the “long term planning” of firms and industrial clusters or the “fast moving plastic world” of investment banking. As an intermediary institution between individuals and households, firms, the state and other organizations, banks fulfill different tasks as “saving”, “payments”, “credit” and “investment banking”. Therefore, banks and their social clients build more than simply a network of collective profit making. The provision of a permanent payment system between private and public firms, households and the state, for example, is comparable to other public goods such as water and waste management. Furthermore, banks manage savings and credit. They have usually close, long-lasting relationships to both public and private firms as well as the state, and exert an immense influence on collective infrastructural planning and investments via credits. The profit a bank makes in the traditional saving and credit business is usually closely associated with the wealth and success of its clients. Investment banking differs from the credit business insofar as the former implies a short term buy and hold strategy. Investment banks enter into a flexible relationship with firms by means of financial products such as bonds, shares and derivatives of both. This in turn not only changes the speed of markets and the turnover rates of assets, but has a substantial impact on the logic of economic expert knowledge used in banks. The following chapter gives a brief outline of the discursive relationship between these

economic contexts and the diverse types of economic expert analysis.

3 The multiple transformations of academic economics into applied economics

3.1 Company and industry analysts: calculating the firm

The traditional credit business between a bank and a firm, which has been overlooked by several actors in the public, political and financial sector since the rise of investment banking and its “gold rush fever”, was typically characterized by economic analysis from industry and firm analysts. In contrast to financial market analysts and macroeconomists, firm and industry analysts not only analyze the market environment of an investment – the macroeconomy, the political outlook, the industry network and the industry sector – but scrutinize the firm itself. In so doing the economic analysis takes the firm’s outlook into account through the use of basic tools from business and management analysis. As Kalthoff (2005) has shown, analysts apply numerous practices of calculation in order to measure the economic standing of a firm. Chiapello (2009) shows how different types of accounting construct the frontier of the firm. Whereas traditional discourses count the property assets of the firm, for instance money, buildings, machinery, new accounting discourses calculate the firm according to more immaterial things such as “risk” and “future profit”. As my own interviews with industry analysts demonstrate, the change from a present to a future oriented accounting system has introduced uncertainty into economic analysis.

3.2 Macroeconomics: forecasting the economy

Whereas analysts discourses construct the firm within the economy, macroeconomic forecasting discourse takes the entire economy into account and makes such a thing like “the economy” not simply visible. It rather constitutes it and makes “the economy” available for economic steering and other interventions through private and governmental institutions (Breslau 2003). The main goal of forecasting is to calculate the economic rate of growth independent of the single firm. It typically analyzes the contribution to GDP (Gross Domestic Product) of four sectors: households, firm investments, government expenditure and the trade balance. These sectors can be subdivided into distinct industry sectors, forms of investment, types of households, differ-

ent kinds of government expenditures and traded goods in order to generate a unique set of indicators such as Purchasing Manager Index (PMI), automobile industry or construction industry, which allow for a calculation of the short-term, middle-term and long-term development of GDP. Forecasting, however, opens up different sectors for governmental intervention and it usually recommends specific economic policies to stimulate growth, halt inflation or balance trading performance in import and export. Macroeconomic forecasting rests on varying expert discourses. It refers to macroeconomic theory and economic policy as developed in the academic field and carries in itself the conflict between Keynes and Friedman, state and market, demand and supply, leftwing, social democrats and rightwing, liberal conservatives. But economic theory and analysis does not only come from the academic world. There is also governmental tradition as economic steering of the state and the economy was developed by the United States during World War II. American economists combined statistics, mathematics, Keynesian macroeconomics, and neoclassical microeconomics into new, neoclassical syntheses which spread as "economic governmentality" throughout the (Western) world (Hall 1989). In Germany, the economic research institutes were the result and driving forces behind this "scientific counter world" (Maeße 2013b: 247) which existed and developed parallel to the academic world.

3.3 Asset market analysts: economics as a digital object

Since the rise of the deregulated financial markets banks developed investment banking as a new kind of financial practice. Whereas macroeconomic forecasting and firm analysis are economic expert discourses, which were applied to traditional banking functions, in the vein of investment banking practices new kinds of economic discourses arose which have been combined with the former. Depending on the circumstances, these economic expert discourses construct markets as "scopic markets" (Knorr Cetina/Brügger 2002) where observing the market and acting on the market seem to merge into one another. Different types of markets are created by different asset analysts discourses, as long-term markets where currencies are used for international trade (Wansleben 2012), or as average markets where long-term developments are crisscrossed with short-term developments by "error-correct-models" (Economist in an interview). The economic role of one and the same product (i.e. a bond) changes with respect to the asset and trading context (portfolio, certifi-

cates, CDO and so forth). According to the goal of trading, the client's demands and the trader's preferences, the analysis changes very quickly and can construct different outcomes. This kind of "chameleon economics" not only refers to the academic field, especially on "finance" which settles between management, business studies and microeconomics (Whitley 1986; MacKenzie 2006). It has also a high degree of self-reference as this economic expert discourse developed characteristics which result from practical experiences as an applied science in financial markets. But this kind of applied financial economics not only developed new and unorthodox kinds of analysis, it created economic objects, as Muniesa (2007) and others have shown. The "bourse" is an object where economic theory is inscribed; a graph is not simply a line but the manifestation of an economic thing, an "interest rate" for instance. Knorr Cetina and Brügger (2002) argue that the "screen" is not a representation of the market but the market itself. An interviewee mentioned a bank that employs only non-academic traders in currency speculation because they "don't have to think about selling and buying, instead, they need to develop a feeling for the curve". The economic object and the economic theory is, therefore, constructed as a moving graph whereas the trader has to learn how to execute the "will of the graph". Even if economic theory makes up objects in the other economic worlds of a bank, the firm and the market, it was the social studies of finance that discovered economic theory as such a "digital object" constructed by economics.

4 The origins and circulations of applied economics

Whereas the multiple applied forms of economic expert discourse in banks in its different manifestations as analytical tool or economic object are important techniques to construct economic worlds on which the bank as an economic actor and organizational decision maker is going to act, either as a creditor, an investor, or as a debtor, an advisor or as a exploiter, the economic discourse refers by the same time to other social worlds. Banks rest on this connection in various ways, even if they are not as obvious as semantic performativity suggests. Without this connection to the multiple sources of applied expert knowledge the performativity thesis would make no sense. For semantic performativity contact between the economy and economics is made by the semantic identity between neoclassical models in the academic world and the application in the economic world. Indeed discourse theory argues for spectral performativity which implies firstly, a discontinuity

between the academic meaning and the organizational meaning in the economy; secondly, a multiplicity of origins; and thirdly, the numerous functions economic models play in business contexts.

Let us begin with point number three. As several studies in economic sociology and political science have shown, economics functions in different contexts as a source of legitimacy (Nonhoff 2012; Wansleben 2011; Maeße 2012). Economics can also serve as cultural capital when young scholars apply for a job in a bank with a degree in management and/or economics, even if the work itself has little to do with the course of study (as stated by bankers in interviews). Models, concepts and terms from economics are a source for naming things such as “interest rates”, “GDP” or “risk” in all branches of economic expert discourse. Those things can, thus, come into existence and become manageable for economic and governmental actors. While economic theory is a source for the interpretation of an external world, it also constitutes the objects of this external world, thereby, creating it (see Fourcade 2006 for the global nation state).

With respect to the origins of economics, one must take into account the heterogeneity of economics as an academic discipline and scientific practice. Indeed, neoclassical theory is not the only source of economic expert discourse. The neoclassical character of economic models is an assumption which counts basically for two fields: large sections of the field of academic economics since the 1980s and the political field. To assume that every aspect of academic economics is neoclassical by nature is simply not true from the point of view of the sociology of science and humanities. Furthermore, the source of applied economics in its multiple aspects, appearances and applications are not solely the academic field (see Nützenadel 2005; Fourcade 2009, Hesse 2010). It is rather the states field as it developed after the World War II parallel to the academic field of economics. The field of economics in its modern form has never been a purely academic discipline. It was a rather trans-epistemic field structured around different poles of legitimacy (Maeße 2013b). Applied economics, in particular, has been developed in the economic research institutes throughout the world that were closely connected to macroeconomic steering by the state, and influenced by Keynesian and liberal economic policy. Purely neoclassical or purely Keynesian discourse does not exist.

If applied economics fulfills diverse functions in banks and has numerous sources, economic models, formulas and

theorems change their meaning if they are used in different contexts. This discontinuity between the form and its content(s) can be studied in cases where economists and financial mathematicians with an academic background collaborate. Indeed, mathematicians apply different criteria to a “good mathematical solution” for a financial problem (calculating derivatives for a bank, for instance), as interviews with financial mathematicians have shown (Kalthoff/Maeße 2012). Whereas mathematicians aim for a “beautiful” formula with “less variables” and “clear results”, traders and portfolio managers use these formulas merely as a resource for reflection. They do not trust in the results of financial models (Vormbusch 2012). Both, academics and bankers, read the same text (a model) and draw heterogeneous conclusions from it. This is the meaning of discourse analysis. The same is true in other parts of applied economics. As stated by economists from economic research institutes, the neoclassical “free market” is seen as an “intellectual abstraction” which is useless in economic policy advice. Rather, next to a practical analysis of the economy, political opportunities play a central role in the content and results of an economic study. A macroeconomist at an investment bank asserted that analytical results are compared to those of colleagues, and are occasionally altered for strategic, communicational purposes. Therefore, if a text constructs meaning according to the contexts in which it is used by actors, is semantic performativity from a discourse analytical point of view not an abstraction from reality which is by definition impossible? Therefore, spectral performativity of economics takes into account the role of economic science for the constitution of the economy and the autonomy of the different economic practices simultaneously because it distinguishes between the discursive form which circulates throughout the economy and the meaning(s) it may produce in different social contexts.

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How the Firm Became Consultable – Constructing Governability in the Field of Management

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The firm has not always been consultable, and it has not always been consultable in the same way. The history of management consulting dates back to the 19th century and has been developing up until the today. It originated from forms of outside advice aimed at improving production processes on the shop floor. Chemical engineers were hired by firms that lacked capacities in the area of research and development (McKenna 2006: 29-34), and experts in scientific management were engaged for optimizing the human aspect of the production process (Wright/Kipping 2012). At the beginning of the 20th century, cost accountants helped to ascribe monetary value to all the different bits and pieces that make the production process calculable (McKenna 2006: 39-43). Management consulting originated from these three sources, but it kept developing. From the 1940s onwards, tasks concerned with the strategic alignment and future development of the firm or with planning and governing of management itself gained importance. Strategy consulting, which is considered by many to be the essence of today's management consulting, became an identifiable branch.

Research from institutional perspectives has undertaken thorough investigations into the development of consulting and has produced many valuable insights on which to build (e.g. Armbrüster 2006; David 2012; Kipping 2002; McKenna 2006; Ruef 2002). Most findings highlight external impacts as sources of change, but remain rather vague on actual processes of change that increase the need for consulting and open up the realm of senior management and strategic decision making for external advice. A discursive perspective can offer complementary insights here. From this viewpoint, the urge of consultants to engage in new areas of expertise and advice is channeled not only by external institutional changes but also by the beliefs, ideas and concepts about the firm and its good governance that

prevail at a certain time and structure the imagination of agencies in the field. To understand the impact of certain events, it becomes necessary to investigate how they feed into the discursive construction of the firm and how management became a task amenable to outside advice on a regular basis and not only in times of crisis. At the same time, it becomes obvious that the urge of management consultants to expand their areas of expertise drives them into discursive struggles over meaning and leads to their active engagement in the creation of management knowledge. An analysis of the discursive changes management underwent should take into account both the changes affecting the ability of certain agents to participate in the discursive practice and changes in content. Last but not least it has to explain how these discursive changes made an impact on the everyday business of managing and consulting.

To outline such a research program I draw on theoretical and methodological insights offered by Bourdieu and his idea of field analysis (Bernhard/Schmidt-Wellenburg 2012; Bourdieu/Wacquant 1992), and by Foucault and his take on discourse analysis (Diaz-Bone 2005; Foucault 1982, 2003) as well as governmentality (Bröckling/Krasmann/Lemke 2000; Foucault 2007, 2009). I will start by outlining the field of management and its discursive practices focusing on three processes of closure that exercise structuring effects on the ability of agents to participate in the material and symbolic struggles that constitute management and management consulting. I will continue by briefly mapping the discursive changes management underwent in the second half of the 20th century leading up to consulting becoming an indispensable part of the governance of the firm and the production of management knowledge. In the end, I will consider management consulting as dispositive that creates and maintains the conditions under which firms can be managed along the lines of a neoliberal ideal.¹

The field of management and its discursive practice

Throughout most of the 20th century, management was engaged in becoming more professional and academic, making it a respected and flourishing discipline. This development can be understood as the outcome of three interlocking processes of closure.

(1) A process of *social closure* differentiates an autonomous field of management from other everyday practices engaged in running companies such as production, sales, engineering or accounting. The inner logic of the managerial field is best exemplified by the doxical belief shared by all agents engaged: each and every enterprise is governed by decisions that have designated effects by which envisioned goals can be attained. Two underlying assumptions back this "idée directrice". (a) It is assumed that each decision has a causal impact that can be calculated, given the transparency of all its components. If the observed effect does not match the anticipated effect, it seems natural to optimize the principles of taking decisions. (b) It is assumed that organizations are similar enough to expect equal problems and solutions to apply. A decision's success can then be judged by comparison and can be optimized by adopting principles of "successful" decisions. Both assumptions taken together form a belief in the firm's governability that motivates agents to participate in the struggle for organizational control creating the illusion of management as a social reality in its own right. The core belief transforms managerial experience and know-how into managerial capital. Executives and enterprises invest in this capital and try to acquire, develop and optimize their "stakes" in order to gain access to positions in the field-internal hierarchy. The tactics of agents can be analyzed by referring to two fundamental strategic orientations: they stick to "the tacit rules of the game and the prerequisites of the reproduction of the game and its stakes; but they can also get in it to transform, partially or completely, the immanent rules of the game." (Bourdieu/Wacquant 1992: 99) The latter strategy is only promising to agents who have a fair amount of symbolic capital at their command, i.e. they hold a position that is recognized by others as an indicator of success, creativity and innovation. Agents can use symbolic capital as credit when engaging in discursive practice, and they are disclosed by the lack of it.

(2) Analyzing the processes of *symbolic closure* in a certain field raises the question as to how some forms of capital turn symbolic and some agents become speakers. Not

everyone engaged in managing – let alone agents from other fields – can participate in struggles over entrance barriers to and meaning of management. Two forms of capital – managerial and scientific – have had symbolic effects in the managerial field right from the beginning. Managerial experience denotes authenticity and is gained in executive positions. It does not have to be firsthand when used to produce statements, albeit it is valued far higher if it is. Scientific research, in contrast, does not focus on the experience of the person conducting it. Here, the credibility ascribed stems from the possibility to eliminate all subjective experience in the link between speaker and managerial practice. This is made possible by science because research methods are considered instruments producing objective data, and the scientific community is seen as a critical competition for truth. A third form of capital – consulting experience and research – gained importance during the 1980s and 1990s. Explaining its rise will be the main task when analyzing discursive change. All three forms of capital exercise symbolic effects that are used by speakers to transform their particular views into common ones. This only works if they follow an "interest in disinterestedness" (Bourdieu 1998: 85) and are believed not to act on their own behalf. References made to authenticity and universal validity support the credibility of their commitment. The interest in disinterest keeps the symbolic economy of management running, it produces management knowledge for experts and laymen, and it creates the need and supply for ever new forms of management knowledge.

(3) *Cognitive closure* is a direct outcome of the symbolic struggles fought out in the discursive realm: By ascribing a certain set of problems and possible solutions, of agencies and corresponding responsibilities, of values and ontologies to the firm, it is constituted as a social phenomenon (cf. Keller 2012). At the same time, the idea of the firm structures possible forms of its leadership. A whole area of discourse is actively preoccupied with creating guidelines, techniques, manuals and arguments to optimize the practical performance of the firm. Here, a certain governmentality of the firm is created: "a way or system of thinking about the nature of the practice of government (who can govern; what governing is; what or who is governed), capable of making some form of that activity thinkable and practicable both to its practitioners and to those upon whom it (is) practiced." (Gordon 1991: 3; cf. Foucault 2007, 2009) Ratios of governing, techniques of domination and techniques of the self as well as subjectivities feed back into the everyday practices of managing via business

schools, consulting and executive education. The firm and its governance becomes part of the economic reality everyone has to deal with.

Establishing the neoliberal governmentality of the firm

The rise of a new concept of the firm and its governmentality can be analyzed by tracing back all the minor shifts that took place in the discursive practice and led to its institutionalization. The aim is to deconstruct today's legitimate forms of management knowledge and to unfurl the structural conditions of yesterday's practical engagement of agents in symbolic struggles. This takes us back to the beginning of the 1970s, when consulting practices were not yet considered blueprints for management and consultancies and were by no way as deeply intertwined into the everyday working of the symbolic and material economy as they are today. In order to highlight contrasts it is useful to take a look at the discursive practice prevailing before the changes took place from approximate 1975 onwards.

Before the 1970s, the prototypical business enterprise is an industrial production firm structured by functional differentiation combined with vertical integration and governed via a bureaucratic administration. For example, all statements promoting the m-form – probably the most popular structural concept after World War II (Fligstein 1990: 226-258) – help to constitute this type of firm. The m-form itself offers solutions to the problems that become pressing when this type of firm grows in size and diversifies its product range: it is a concept to reduce costs of coordination and control. Management follows the logics of disciplinary governmentality (Foucault 1991) and concentrates on surveillance of the way employees conduct their assigned tasks. Correcting deficient staff and faulty structures becomes necessary, if the observed actions deviate from the set norms. Becoming a governable subject consists mainly of being amenable to external manipulation. In this era, consultants are efficiency and rationalization experts, who are also able to pass judgment on firms close to bankruptcy and take over. They are called in when emergency situations of hopefully short duration arise. They care for "sick firms" (Haas Edersheim 2004: 88) much like doctors to whom they are compared and compare themselves (McKenna 2006: 330-331). Since hiring consultants signifies "bad" management and does not build but tarnish a firm's reputation, it is not made public. Likewise, consultancies only play a marginal role as a path of entry into the field and as a gateway to careers in management.

Compared to other specialists of corporate management they rank low in status (Kipping 2011: 537). In such a situation consulting practices have no symbolic effect. Authentic management experience and scientific research legitimate statements and make academics from renowned business schools and experienced "captains of industries" speakers and knowledge experts in the field.

At the beginning of the 1970s, two developments coincided in discursive practice and restructured the discourse on the firm. On the one hand, business schools expanded rapidly and increased their scientific rigor after World War II (Augier/March 2011). Business administration has undergone an academization pushing young researchers into discursive practices who know social science methods and quantitative statistics. Classical authentic everyday experience in management decreases in importance. On the other hand, the prevailing constitution of the firm was challenged by two social movements. Offshoots of women's and other emancipative movements were demanding a reduction of heteronomy and more self-determination in the workplace in addition to other contexts (Boltanski/Chiapello 2003: 142-146; Kanter 1983). From the mid 1970s onward, they were joined by a movement for an "American corporate renaissance" that advocates a return to the core values of US-corporations in order to counter the Japanese Challenge (Pascale/Athos 1981). New speakers from these two backgrounds made their way into the discursive practice by highlighting either their scientific rigor or their practical experience. New solutions advocated cooperative leadership with a special emphasis on "soft" cultural factors, concentrated on educating employees and on using their special expertise in solving practical problems. The main concern of senior management shifted from the efficiency of individual businesses or divisions to the overarching profitability of the firm. Senior management became an active investor requiring detailed information on each business and corresponding industry. The realm of practices that can be planned and administered increased. The rationality of governing highlighted planning in advance anticipated different possible developments and concentrated more on the efficiency of the firm's whole portfolio (Henderson 1972; Porter 1980). The firm was governed by the use of management tools into which the standards set by senior management have been implemented as benchmarks. As the amount of practices for which management is reflexively responsible increased, so did the use of techniques to monitor, measure and assess the performance of employees, divisions and businesses. However, the new instruments of comparison were still used only for correc-

tion according to disciplinary logic (McKinlay/Starkey 1998). Consultants profited from these changes: They are experts of change providing impulses, implementing new management tools and training employees. Still, consultants were only hired for a limited time since the challenges firms faced in the 1970s were considered one-time historical shifts. At the same time, consultancies started to accumulate a certain type of management experience: consulting experience. It is gathered in rationalizing processes and revising companies on a daily basis and includes detailed insights into different industries. Consulting experience comes in handy, as the firm is increasingly seen as a phenomenon in need of constant transformation. It can be used to legitimate new knowledge and one's-own consulting concepts in the discursive practice. For the first time management consultants became a distinct type of speakers in the discourse on the firm creating universally applicable management tools for change.

In the mid-1980s, four developments had an impact on discursive practice and intersected with developments outlined above to allow new agents to voice their views, change the firm's concept and establish its neoliberal governmentality, as it can be termed in retrospective. A first impulse was given by business schools that are again at the heart of a controversy. Contrary to the 1960s, they are now accused of being too scientific (Cheit 1985). Since business school academics had just managed to gain some academic standing at universities, they tried to bridge the gap between scientific specialization and practical application by increasing their own consulting activities and by engaging in research projects that involve management consultancies and their clients. Academics use such "multi client projects" to gain access to management experience, consulting experience and financing. Management consultants, in their turn, profit from the scientific reputation of business school professors and their scientific knowledge. In such projects, consulting research is slowly established as a new basis for symbolic capital, leading to the creation of research units in many consultancies during the 1990s and to the frequent use of smaller institutes specialized in researching, processing and interpreting data according to scientific standards. This development is supported by the tight link consultancies have to topflight business schools since they started recruiting MBA students excessively from the 1970s onwards.

The second profound impact on discursive practice stems from new developments enabled by increasing capacity and decreasing size of IT-technology. New IT-solutions

allow for more information than ever to be gathered from different contexts and analyzed in real time. These new developments promise to conciliate classical oppositions such as autonomy versus control and division of labor versus coordination. Thus, new and productive solutions become thinkable and long voiced emancipative claims can be reconciled with the interests of the enterprise (Boltanski/Chiapello 2003: 142-146).

This rather technological development coincided with a third development starting back in the 1960s, when neo-classical ideas, quantitative statistics and mathematical modeling were on the rise in business schools. From the application of these ideas to questions of organization and subsequent management research, new institutional economics was created and became practical by the 1980s (Khurana 2007: 313-326). Whether it is transaction cost economics, principal agent theory or property rights theory, they all assume best to analyze firms along the lines of markets. Markets as well as organizations consist of egoistic individuals with diverging interests that enter into transactions for reasons of efficiency and ought to be governed by coordinating interest, but not by correcting individuals in order to align them to norms. Firms are now seen as emerging around "natural" business processes involving employees, divisions and management itself. Such a process links different subjectivities in competitive relations that are objectified and temporally fixed in form of contracts. This kind of arrangement is best "governed at a distance" by adjusting the competitive conditions and the subjects' ability to follow their self-interest from time to time (Rose 1996: 49).

In the 1990s, these developments were reinforced by a fourth impulse: the fall of the Iron Curtain and the efforts of state deregulation, reduction of barriers to trade and tariffs as well as the creation of truly transnational or international markets. In this historical setting, visions of global markets as playgrounds for multinational corporations and their global management become thinkable and the need for ever more universally applicable management knowledge arises (Bartlett/Ghoshal 1989).

The developments outlined here have profoundly changed *talking* and *thinking* about the firm. The firm as a hierarchical and functionally differentiated organization was transformed into a process-oriented and dynamic network of contracts focused on short term developments. Governing such a formation is only possible, if as many information as possible on the efficiency and performance of all

subjects involved is openly provided in order to allow each subject to follow its self-interest and, in doing so, to govern itself. Management becomes a reflexive monitoring device: it introduces market arrangements that allow for open, comprehensive and non-partisan judgments of agents and alternative decisions. At the same time, it secures its own position by linking these internal market arrangements to the external market for corporate control. The quality of managerial decisions is ascertained by the value this external market ascribes to the firm. The legitimacy of management rests on the shared belief that internal managerial decisions can be adequately appraised by such an external market (Rappaport 1986). It is not fulfilling the norm, but continuous comparison, ongoing improvement and never ending readjustment that become central to rational governing. Due to these developments new tasks and areas of expertise open up for management consultancies: optimizing of internal market situations; observing, measuring and interpreting data; IT-consulting, –implementation and schooling; training aimed at the self-optimization of subjects. Consulting practices have become major techniques in the neoliberal governmentality of the firm and are now well established in the field. Management consultancies have become speakers of their own right with their ability to produce statements firmly resting on the symbolic effects of consulting experience and research, a discursive resource to which they have exclusive access.

As “managing change” moved to the forefront of the agenda, the importance of consultancies grew. They became a central institution for educating managers, a sought-after credential in the *curricula vitae* and a legitimate mechanism for consecrating management knowledge. At the same time, these changes have also contributed to disenchanting management. As management became rationalized and controlled, scientifically explored and standardized, it turned on itself: today, managers are subject to the same ideas, rationalities and techniques they use to govern employees, divisions and firms. Management has increased its own reflexivity and shouldered the burden of continuous vigilance and chasing every novelty. And it has lost quite a bit of charisma: creativity, the ability to innovate and entrepreneurship are ever more attributed to characters associated with consulting.

Consultancy as a dispositive

Over the last 30 years, management consulting has become more than just a prominent position in the field of

management and a practice readily employed to lower costs of change or of gaining new forms of knowledge. From a Foucauldian point of view, consultancies have become a dispositive in the field of management and beyond. Dispositives are regarded as a “heterogeneous ensemble consisting of discourses, institutions, architectural forms, regulatory decisions, laws, administrative measures, scientific statements, philosophical, moral and philanthropic propositions – in short, the said as much as the unsaid.” (Foucault 1980: 194) This implies a switch of perspective compared to the analysis of changes in the discourse of the firm and its governmentality. The focus is now on interlinking rather heterogeneous elements to form an apparatus that strategically structures social life: “a sort of – shall we say – formation which has as its major function at a given historical moment that of responding to an *urgent need*.” (Foucault 1980: 195) From this viewpoint, consultancies are now seen as creating a local social order that reduces uncertainty and can be strategically used in the hope to produce a certain outcome. In the field of business related management the ‘function’ of consultancies is pretty clear: they structure the management field in such a way as to allow for a neoliberal governmentality. They subjectify ever more agents in the field either by employing them or by schooling and training them. They introduce internal market devices to firms and maintain them, which is a precondition for techniques of the self to work. They gather and interpret information from various firms, objectify experiences, generalize and package their insights. They function as monitoring devices to control management agents without depriving them of their capacity to take decisions. Consulting is able to function as constant monitoring of management, assessing and comparing what has been done to other organizations and offering new ideas to increase efficiency. By doing so, they can even increase the legitimacy of management and its decisions. Nowadays, such “urgent needs” (as mentioned above) pop up wherever practices of organizing and managing occur: states, governmental and non-governmental organizations, non-profit organizations, schools, universities, theatres to name but a few. When these organizations picture themselves along the lines of the discourse of the firm outlined above, they encounter problems to which consulting seems a sensible solution, spreading management consulting far from the social realm where it once originated.

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schungsprogramm (two volumes, 2012, with Stefan Bernhard).

Endnotes

¹The insights shown result from a qualitative field analysis of the managerial field. Research focused on the discursive changes taking place between 1970 and 2005 and giving rise to a neoliberal governmentality of the firm that encompasses consulting as one of its chief techniques of governance (Schmidt-Wellenburg 2009, 2012a, b, c). The research was conducted at Otto-Friedrich-Universität Bamberg as part of the Graduate Program 'Markets and Social Systems in Europe' and was funded by the German Research Foundation (DFG).

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Justification, Conventions, and Institutions in Economic Fields

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Economic life is ambiguous. Problems and their solutions are linked on a flexible and situational basis (Cohen et al. 1972), decisions and their explanations are loosely coupled (Feldman 1989: 79-80) and the status quo of the institutional world is always in danger of criticism and needs to be legitimized by the “theoretical fancy of the cosmological experts” (Berger/Luckmann 1966: 115). The French *sociology of conventions* (also known as the sociology of critical capacity, Boltanski/Thévenot 1999) uses this evaluative ambiguity of the economic world as the theoretical starting point. Instead of being interested in *legitimation*, *justification* is put center stage (Boltanski/Thévenot 2006). This seemingly minor terminological shift conceals major methodological consequences. By turning the former “little sister” into a main sociological category, Boltanski and Thévenot create an interesting framework for the analysis of economic fields where conventions (discourses), and institutions and objects (dispositives) appear to be linked in a specific way. Economic fields may thus be analyzed as ongoing evaluative processes where orders of worth are disputed and compromised via talk and investments in forms.

Drawing on Bourdieu’s concept of social fields (though rather implicitly), DiMaggio and Powell (1983) initiated a research program dedicated to the study of institutional homogeneity in organizational fields. Their strong claim towards homogenization provoked a variety of debates in New Institutional thinking: (1) a plea for bringing the societal (discursive) level back in (Friedland/Alford 1991; Scott 1994; Thornton/Ocasio 2008; Thornton et al. 2012), (2) a plea for the formulation of a microfoundation (Zucker 1991; Powell/Colyvas 2008), and (3) a plea for the introduction of technology and material devices into the theoretical framework (Czarniawska 2008: 773; Powell/Colyvas 2008: 281). The *sociology of conventions* provides a theoretical framework that is able to integrate these three requirements in a promising way.

To begin with, it is remarkable that the French approach introduces the term *convention* in order to draw a distinction to the term *institution* (Bessy 2012; Diaz-Bone 2012). Such a differentiation between the institutional world and legitimation is central to the work of Berger and Luckmann (1966: 79), too, who are important precursors to new institutionalist theories. Yet, this differentiation got lost in the institutional pillar-model (DiMaggio/Powell 1983; Scott 1995), where coercive, normative, and legitimatory (mimetic) institutionalization are conceptualized on the same analytical level (for a critique see Phillips/Malhorta 2008: 709-710; Thornton et al. 2012: 38-39). The institutional logics perspective, a promising new institutional perspective that highlights the heterogeneity in organizational fields, is clear in stating that “culture and cognition are how we as individuals come to understand the meaning of norms and regulations” (ibid.:39). Still, the term ‘institutional logic’ suggests that logics and institutions are inseparably bound together. Berger and Luckmann (1966:82) once argued that “great care is required in any statements one makes about the ‘logic’ of institutions. The logic does not reside in the institutions and their external functionalities, but in the way these are treated in reflection about them.” The consequence of this warning is an analytical distinction between institutions and logics in order to be able to reflect on the ways how institutions and logics appear to be linked in ambiguous situations. For conventionalists “rules [institutions; L.K.] are never complete in their way of controlling actions, [...] and their completion cannot proceed from interpretive meta rules (which would fall into an infinite regression, be logically unsound and anyway unrealistic), but from collective interpretative schemes, like our conventions.” (Favereau et al. 2002: 226) Thus, institutions and conventions are linked in collective evaluative moments where people struggle for orientation and interpretation.

From a conventionalist perspective, the process of institutionalization is understood as a process of form investment (Thévenot 1984). The conventionalist perspective treats institutions and objects analytically the same way: “creating a rule is much of an investment as purchasing a machine.” (Thévenot 1984: 23) The French sociology has a long tradition of integrating things or dispositives into

social theory: for example by Foucault's juxtaposition of discourses and dispositives (Diaz-Bone 2008), by Bourdieu's interest for things as representations of positions in the social field and, last but not least, by Latour and Callon's claims for socio-technical *agencements*. Actor-network-theory and the sociology of conventions develop in mutual awareness (see e.g. Dodier 2011) and it has been argued that both grow in a twin-like relationship (Guggenheim/Potthast 2012). While it is true that the sociology of conventions draws on a related (French) understanding of the material world, it differs from actor-network-theory by its conception of a people-centered sociology focusing on the pragmatic capacities for critique, justification and evaluation. Both theories, thus, may better be understood as "fraternal twins" than as "symmetrical twins" (Diaz-Bone 2011: 34). "Equipping" the world with stable forms is a way of reducing its complexity by means of simplification, abstraction, standardization or generalization (Thévenot 1984: 15) for the sake of a common good (e.g. solidarity, tradition, efficiency, technological progress).

Like Friedland and Alford, the sociology of conventions argues for abstract and generally accessible discursive knowledge systems (Diaz-Bone 2009) that guide economic, organizational and political life. Still, the interest in abstract orders of worth does not stem from an attempt to understand society as an "inter-institutional system" (Friedland/Alford 1991), but from an attempt to understand people's search for orientation in ambiguous situations (see Dequech 2003 for a general discussion of the role of ambiguity and uncertainty in economic life). Boltanski and Thévenot (1983, 2006) observe that people refer to abstract canonical orders of worth (conventions) to render claims generally valid. Employing "pragmatic versatility" (Thévenot 2001: 407), they switch references from one convention to another in order to resolve the complexity of situations. Each abstract and most legitimate principle of evaluation supports a unique mode of qualifying people and things. For example, the *civic* order of worth values solidarity, equality, the collective interest, democratic resolutions and services for the public, while the *domestic* order of worth values tradition, patriarchal leadership, heritage, trust and reciprocity. What is most fruitful for economic research (Knoll 2012b) is the rejection of the Arrow-Debreu demand and supply presentation, which implies "a conceptual integration which treats similarly the production function and the consumer function" (Thévenot 2001: 412). Boltanski and Thévenot criticize this conceptual integration, proposing a difference between the *market* and the *industrial* order: "a market rationale

which is naturally deprived of a future, and an industrial action which is naturally stabilized through investments" and long-term industrial planning (Thévenot 2001: 413). Thévenot and his colleagues (Lafaye/Thévenot 1993; Thévenot et al. 2000) further argue for a *green* order of worth that remunerates the sustainment and conservation of the nature as an end in itself. Conventions are relatively vague, of unknown origin and they cannot be enforced legally (Favereau et al. 2002: 224). Furthermore, they are general and principal and they are *only* "put forward piecemeal" (Favereau et al. 2002) when cited. They are convincing because they are abstract and can be referred to through hints and insinuations.

The situational and collective process of coordination is the methodological center-piece of the sociology of conventions. The fact that there is always more than one possible way of relating to a "right" and "just" way of treating things and people, makes every situation an open and underdetermined one. Legitimation is not a given: „We intend to deal here with legitimacy as part of the competence of actors. We indeed make the hypothesis that actors are capable of distinguishing between legitimate arguments and arrangements and illegitimate ones. Legitimate means that when arguments and arrangements are confronted with criticisms they can be the subject of justifications that are valid in all generality, and that they can be used to support universalizable agreements. Illegitimate means that they cannot be justified, and that they cannot support agreements that concern the generality of the common good, even if they can be mobilized by the actors in certain situations to support certain arrangements to the advantage of the parties.“ (Boltanski/Thévenot 2000: 215) Legitimation needs to be accomplished on a moment to moment basis. The principal variety and concurrence of orders of worth makes constant justifications, argumentations and explanations necessary. Thévenot refers to an example given by Williamson (1975: 38) to explain this notion of situated ambiguity management. The question on stake is, if a market for (or the commodification of) blood would decrease altruism in giving blood. A potential donor might wonder if he will be judged as being generous or as being naïve (table 1).

See appendix, table 1: Figures of judgment in a complex situation

In this example, commodification is not replacing the "old" way of donating one's blood for the sake of solidarity (civic), but complementing it with a frame in which things

are valued according to their market price for the sake of profit maximization (market). In one way or the other, people can anticipate possible criticisms and may find ways and arguments to muddle through the contradiction involved in the action of giving one's blood.

When different world views collide, often a compromise is the "best available" or the "second best" solution. The compromise designates a composition between different orders of worth that suspends controversy without having resolved it by recourse to a single order of worth. This makes compromises fragile (Thévenot 2001: 411). They can be stabilized by the intermingling of elements from different worlds (Boltanski/Thévenot 2006: 278). For example, in constructions like a "state owned company" different logics appear to be tied together and their differences appear less pronounced. The economic world is equipped with multitudes of such "compromising devices" (Thévenot 2001: 410-411) or "boundary objects" (Bowker/Star 1999: 297) that satisfy the requirements of different worlds. Compromised objects do not clarify economic situations, but cover and hide the complexity of the world. Economic, political and organizational reforms (form investments) unfold in a compromising way most of the time; the new form is covering an old form, but not erasing it. The Christmas tree is a nice example for a compromising device, which incorporates pagan traditions into a catholic narration rather than to fight them off. Compromising devices thus represent moments of overwriting and rewriting history. As Callon (2007: 341) notes, socio-technical worlds "are struggling to exist, at the expense of other sociotechnical worlds".

In the second part of this article, the possibility of conducting field studies by employing a conventionalist approach will be illustrated by recourse to a case study conducted in the field of municipal power generation. This economic field can be described as an ongoing blending of conventions, where conflicts are fought out, compromises are established and again questioned. Uncertainty is rendered manageable through compromising devices, like the "procurement portfolio" in power trading and through ongoing talk about "right" and "just" ways of generating energy. Table 2 presents the respective results of the study, in which the justifications of emissions trading in two German municipal utilities are investigated (Knoll 2012a). (See appendix, table 2: Conflicts and compromises in the field of municipal energy generation). The table depicts the various formations of conflict and compromise that were reconstructed from the rich empirical material. We see

typical judgments from one evaluative frame over another, situated in a political scenario of the reformation of the energy sector in the context of market liberalization, emissions trading, and climate change debates. Civic, industry, green and market discourses appear to be contrasted and combined. The italicization of the term "*appreciation*" indicates a compromise between different orders of worth. In the light of the civic order, for example, the industrial "demand" appears to be a juxtaposition – or an "ontological mutation" (Callon 2007: 337) – of the "citizen need" and is therefore highly valued across both evaluative frames.

The analysis of the municipal power sector allows the conception of the economy as something that consists out of much more than market coordination. Municipal utilities came to life in the aftermath of industrialization, when people moved into the cities and the need for a centralized electricity and water supply as well as for public transport and waste disposal was overwhelming. In this period, the German term "Daseinsvorsorge" (roughly translated "existence or subsistence provision") has been shaped and explicitly distinguished from forms of competitive coordination (Forsthoff 1938, 1958). Municipal utilities in Germany, till today, are bound to the general principle of "Bedarfwirtschaftlichkeit" (economy of demand) (Edeling et al. 2004: 27) that is contested by processes of market liberalization (economy of supply) (Edeling 2008). With market liberalization, electricity generation has been reorganized by establishing competition between suppliers. Electricity is now sold one year ahead and power trading departments decide on a daily basis, if it is cheaper to "make or buy" the sold electricity. Power trading departments use a calculative device, the so called "procurement portfolio", in order to manage their risks and positions (see e.g. Burger et al. 2007). Other than economic theory would expect, the procurement portfolio (purchasing portfolio) serves as an institutionalized compromise (Knoll 2012a, 2012b), allowing for the interlacing of industrial risk avoiding strategies and revenue-oriented risk taking strategies, while both remain justifiable as economic "optimization". The inherent contradiction between both evaluative frames is made invisible via the employment of a calculative scheme that allows long-term planning *and* short-term revenue maximization. The established compromise of long-term supply security (industry and civic) can survive market liberalization, *because* power trading unfolds in a compromised way.

The main empirical bases of the above presented outcomes are group discussions on the “right” and “just” ways of treating and trading emissions rights (Knoll 2012a). The following sequence illustrates how a variety of orders of worth is applied to make sense from emissions trading, where the price for carbon should have an influence on the modes and ways of heat generation. How a company translates the price information into a trading decision or most ideally into a decision of reducing CO₂ emissions is a rather complex process full of preconditions and dependent on collective evaluations. The power plant operator begins the sequence with a vehement statement:

Plant operator: “When heat from the district heating network is required, the CO₂ price is irrelevant!”

Power trader: “One could play around a little bit by shifting between the combined heat and power plant and the other stations.”

Plant operator: “This is digital again. If I am able to generate heat in the combined heat and power plant, I do it there and not with primary heat. Finito!”

Sociologist: “And the CO₂ price is completely irrelevant for this decision?”

Plant operator: “Absolutely! The CO₂ price is completely irrelevant, because we generate heat as and when required. When heat is required, we have to deliver the heat. That’s it! No one cares about the price. The important thing is that we deliver the heat.”

Power trader: “But, you do have the possibility of driving various heat plants according to price signals.”

Plant operator: “Yes, but when it comes to this decision I chose the combined heat and power plant over the primary heat because of the better efficiency factor.”

(Translation from Knoll 2012a: 149)

What can be observed is a situational blending of references by the citation of a variety of orders of worth. Objects themselves, like “the price” (which appears as a volatile curve on computer screens) or “the demand” (which is calculated in procurement planning sheets) do not offer an immediate economic solution. They rather support argumentations. The sequence illustrates how a demand-orientation (industry), backed up by the need to deliver

energy “as and when required”, which reflects perceiving energy as a public good (civic), suggests a very specific way of running an energy plant: one that is oriented towards the needs of demand (industry). What is at stake is a demand-oriented plant operation (industry and civic) versus a price-oriented plant operation (market). The formulation “this is digital again” refers to the financialization of the power market, which is interpreted as to unfold a kind of detachment from the technical needs of the production process. In the end, the demand-orientation is additionally backed up by an argument for “environmental friendliness” in terms of the efficiency factor mentioned, referring to the climate change mitigation debate (industry and green).

But there is more at stake here than just a blending of orders of worth. We can see a momentary subordination between the different positions that is reflected in the negotiation process. The statement of the power plant operator “the CO₂ price is irrelevant” is brought forward in a vehement way. This statement is taken up by the power trader who intervenes tentatively that “one could play around a little” by shifting heat generation between the power plants according to price signals. He is intervening in a rather circumspective and sheepish way. He is not answering with the same vehemence as his colleague. This renders it possible, on the one hand, to bring his point forward (“Prices do matter!”) without navigating into an open conflict right away – on the other hand, it leaves his argument in an invalidated position. He brings up his point again during the conversation, but it is again rejected, this time by a triangulation of arguments: citizens need, customers demand and environmental friendliness. Compromises make arguments more convincing on a momentary basis: The demand orientation (industry) and the public good-orientation (civic) serve as a strong compromise against the market-logic, which in turn later on is additionally backed up by arguments of environmental friendliness (green). In this sequence, the compromising of discursive orders of worth enables the rejection of the price-logic.

The conventionalist perspective offers promising theoretical concepts for analyzing economic fields. Notions of critique, justification and compromise allow the analysis not only of orders of worth, but furthermore of the *ordering of orders of worth* in economic fields. Group discussions offer an interesting methodology to study *collective* struggles for orientation and the ways and modes how discursive evaluative frames appear to be interrelated and contrasted

(Knoll 2012a). The sociology of critical capacity offers its own theoretical understanding of how to think of discourses and dispositives – always from the perspective of people who strive for orientation and the “right” thing to do. On the one hand, institutionalized form investments (dispositives) render the world approachable; on the other hand, they remain underdetermined and are comprehensible and justifiable, only, if framed in the light of general conventions (discourses).

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Appendix

Table 1: Figures of judgment in a complex situation

Interpreter	Actor	
	civic	market
civic	sympathetic	greedy
market	naïve	realistic

(Thévenot 2002:184)

Table 2: Conflicts and compromises in the field of municipal energy generation

action	civic	industry	green	market
judgment				
civic	rational	<i>appreciation of long-term supply security (Daseinsvorsorge)</i>	<i>appreciation of decentralized energy generation, energy has to be affordable (social tariffs)</i>	opportunistic, threatening security of supply (Daseinsvorsorge)
industry	<i>appreciation of reliable demand-orientation</i>	rational	utopian (e.g. need for large scale nuclear/fossil power plants), but <i>appreciation of feasible technical solutions</i>	risky, shortsighted, detached from technical needs, <i>appreciation of risk management via procurement portfolio</i>
green	<i>appreciation of alternative energy generation</i>	lacking a vision and a will to change	rational	shortsighted, irresponsible
market	inefficient, outmoded, socialistic, (e.g. social tariffs)	conservative, inflexible, lacking competitiveness, <i>appreciation of asset management via procurement portfolio</i>	naïve, but <i>appreciation of global CO₂ markets</i>	rational

Discourse Conventions in the Construction of Wine Qualities in the Wine Market

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1 Introduction

In 1981 Harrison White published his famous article “Where do markets come from”? (White 1981) With this article economic sociology once more claimed the analysis of markets to be a central part of economic sociology and this article was seminal for the American new economic sociology. White identified the core problem of market analysis which is to explain why markets can exist. Because the neoclassical model of perfect competition in markets will erase any profit for producers and soon the producers will be forced to give up their production and the market will collapse. White identified the mechanism producers invented to stabilize the market. They have to implicitly agree on producing in different quality niches, thereby avoiding direct competition and making profit possible and markets stable worlds of production of similar products but with differently perceived qualities (White 1981, 2002a).

Quality in markets is the central feature and in markets qualities must be constructed, perceived and reproduced. This is the quality problem real markets have. But after White’s seminal work American new economic sociology did not work out the quality problem as a main problem for market sociology.

This was done in France. There are some important strands in French social science which invented what one could today call the new French economic sociology. One of them is the praxeological sociology of Pierre Bourdieu. Bourdieu has analyzed different markets as economic fields – such as the market for the construction of houses (Bourdieu 2005). The concept of field and the methodology of field analysis can be regarded as a major contribution to market sociology. As White did, Bourdieu demonstrated how markets could be conceived as systems of quality positions, but Bourdieu was also interested in demonstrating how the perception of worth was constructed by investing different forms of capital as well as by discursive

investments. These investments are made by the different producers, other actors in markets and by the field itself.

A seminal article in the field of French market sociology was presented by the anthropologist and economic sociologist Marie-France Garcia-Parpet in 1986 (Garcia-Parpet 1986).¹ She demonstrated how it was possible to build up a strawberry auction market house in a French region. In this region a problem with the quality of the strawberries was recognized by local authorities but the producers were reluctant to change their way of producing and distributing strawberries. An economist was engaged by the regional chamber of agriculture to create a computer-assisted auction market. In fact, he had to campaign for the new auction market and to launch the movement to build the auction house and to train the regional producers as well as the buyers how to behave at strawberry auctions. No element of this perfect market came up spontaneously as neoclassical market theory postulates. Everything had to be realized by the economist’s campaign which was backed up by regional politicians. The economist had to campaign also to enhance the quality of strawberries which were produced and an important contribution of his work was to bring in quality classifications so that the strawberry quality was formatted appropriate to the standardized exchange form of the auction market. The study done by Garcia-Parpet became seminal not only because of demonstrating that the analysis of food markets could be paradigmatic for market sociology – as she demonstrated later also for the wine market (Garcia-Parpet 2009) – but also because of demonstrating that market discourses and market dispositives (market devices) are constitutive investments for markets to come into existence and to work as markets.²

Another important movement in French new social sciences is the approach of economics of convention (in short EC) which today is a core part of new French economic sociology. This approach focuses on how economic coordination is organized by actors referring to quality conventions. Quality conventions are cultural logics how to coordinate in economic institutions to collectively produce products. EC assumes a co-existing plurality of such quality conventions as the industrial convention, the market con-

vention, the domestic convention, the green convention and others.³ EC's analyses of markets demonstrate that there is not only one institutional logic for markets – what the economists' notion of markets suggest. All mentioned conventions can be involved in economic coordination, in production and in the construction of economic worth (Boltanski/Thévenot 2006; Storper/Salais 1997). EC places the problem of uncertainty about quality in the center of economic institutional analysis. Also EC includes objects, devices, and cognitive formats in the analysis of how actors in situations coordinate in the production of collectively shared perceptions of product qualities. EC demonstrates how the worth of products is grounded on quality conventions.⁴

For more than a decade now market sociology has discovered the wine market as an ideal object of study and many scholars in the field have published studies on the wine market (examples are White 2000b; Benjamin/Podolny 1999; Garcia-Parpet 2009, 2011; Rössel/Beckert 2012).

Relying on the new French economic sociology, an analysis of the German wine market was done (Diaz-Bone 2005, 2007). In this analysis the field approach provided by Bourdieu and the concept of quality conventions provided by EC were combined to study the discursive logics at work in the German wine market to construct different forms of wine quality.

2 Wine, quality and discourses

But why should economic sociologists regard the wine market as a serious object of scientific study? The quality of wine seems evident, because wine seems to be a simple product in difference to – let's say – modern finance derivatives. Wine seems to have an immediate utility to consumers and seemingly can be immediately appreciated by them.

The opposite is the case. Maybe the most important reason why the wine market is a perfect object for market sociology is the uncertainty of wine experience consumers make when drinking wine. Foundational taste dimensions usually described by adjectives as "sweet", "bitter", "salty", and "sour" are said to be identifiable in a reliable way. Wine entails hundreds of different chemical molecules and hundreds of flavors. It is known from physiological research that human beings are not able to identify a greater number of flavors in a liquid when these are combined (Morrot/Brochet/Dubourdieu 2001). The experience of smell is

instructed by the perceived color of the wine.⁵ Wine tasting is organized by the consumer's knowledge of wine typologies. These known typologies organize the immediate wine experience itself (Brochet/Dubourdieu 2001). Wine experience (when drinking it) is in most cases structured by only few prevailing flavors.

Blind fold tests show that wine experts make mistakes in classifying wines by its taste alone and that even wine makers cannot reliably identify their own wines (Diaz-Bone/Hahn 2007).

The materiality of "the wine in the glass" offers no intersubjective criteria for quality definitions accessible to wine consumers.

Attempts to use chemical criteria – as the must weight at time of grape harvest – and the region of origin to construct quality categories were intended to define quality categories. So it is done in the German wine law. But the main problem is: these criteria do not consider what the wine makers will do with the wine after the grapes were harvested and how wine consumers experience the wine.

In practice, the social context, product knowledge, cultural concepts, practices and objects have to supplement the wine experience and quality definition, but in fact they co-organize the wine perception and so the experience of wine quality.

The perceived quality of wine is socially constructed in the processes of wine production, marketing and distribution and the situations of wine consumption. It is argued here that the wine market itself is the main field in which this organization of perceived quality is generated and differently perceived wine qualities are produced.

In wine markets actors have to invest in the social construction of perceived wine quality and quality classifications to deal with other factors which make wine markets very dynamic social structures.

These factors question existing quality constructions or mobilize new ones.

(1) In the last decades the national wine markets in many European countries have experienced a growing internationalization of the offered wine assortment. New wines from almost all continents of the world from countries as South Africa, New Zealand and Australia, from regions as

South and North America are offered today also in European markets. The original national strategies, how to evaluate and classify wines, have to deal with the new wines from other countries.

(2) The wine market suffers from overproduction and a big share of this overproduction nonetheless is of high industrial standard. Overproduction forces in particular producers of mass wines in traditional wine producing countries as France, Italy, Germany or Spain to redefine their quality definitions.

(3) Oenological scientists and the industrial researchers in wine technology have made progresses in developing strategies to approximate cheaply produced industrial wines in taste to more expensive wines. A huge set of industrial techniques exist, to enhance the quality of industrially produced wines toward the quality of high-classified wines of traditional wineries.

(4) Cultural trends as the move towards more "dry" wines, towards more alcoholic wines or towards ecologically produced wines correspond to changes in life styles and to mechanisms of distinction between life styles.⁶ Criteria for quality definition hence change.

(5) Because experienced wine quality is not determined by its physico-chemical substance, a plurality of evaluation regimes is possible. An international trend is the establishment of numerical rating systems as the system of the Gault Millau Wine Guide or the "Parker points", introduced by the worldwide influential wine critique Robert Parker.⁷ This trend advances the plurality of evaluation systems and questions established ones.

In order to stabilize markets, to invent quality differences and to construct wine quality, economic discourses and economic dispositives as social forms of investment are permanently necessary.

Wine producers use the wine bottle itself, its design and the text on the wine bottle labels as dispositives to signal wine quality and sometimes also to give "instructions for use" ("mode d'emploi"), for example, at which temperatures and to which food the wine is consumed at best. The stylized graphics of the wineries are designed to signal tradition, regionality, and sometimes also esthetical modernity. Wine bottle labels also have the information on it, prescribed by law as protected certificates of regional origin, (AOC in France), the alcohol level or legal wine

quality categories. These information can be regarded as what Gérard Genette has called "paratexts" (Genette 1997). Genette applied this concept to books. The cover text is an example for such a paratext: its function is to frame and to explain the content but also the quality of the content of the book to possible buyers. Wine bottles' labels sometimes also offer short texts as paratexts to the wine, which describe the taste of the wine and refer to wine world concepts as region, terroir or wineries' expertise and craftsmanship.

In supermarkets and in specialized wine stores the shelves, wherein the wine is presented, are also dispositives representing the market order. In the first place, shelves are organized applying the difference of white wine and red wine as well as the regional and national origin of wines. Quality is signaled by the height of the shelves. Cheap wines are presented in the lower shelves, more expensive wines are presented in the higher shelves.

In specialized wine stores the wine salesman offers sales guidance and quality explanation thereby introducing wine consumers into the wine quality discourses. He can be conceived as an intermediary in the wine market, participating in the mediating and co-construction of the wine quality at the point of sale.⁸

Consumer markets nowadays have their own specialized media as shopping guides, special interest journals, specialized TV programs, internet-websites and others. Here the discourse position of wine experts is implemented. Wine critics as Robert Parker, Hugh Johnson, Michael Broadbent, Jancis Robinson, Stuart Pigott and others who take part in the discursive practices in the wine field are writing books and journal articles and are offering wine expertise for wine auctions. But also prestigious wine makers, wine journalists, oenologists, scientists in disciplines of food production, agro-culture and agro-business, as well as wine traders have their positions in the wine field and also do participate in the professional discursive construction of wine qualities.

Because of the plurality of actors and of economic dispositives in the wine market, this field is also a field of discursive battle for implementing quality definitions and criteria for it, questioning others.

3 Discursive quality conventions in the field of wine production

The discursive practices contributing to the construction of the perception of worth and quality must be conceived as collective and organized practices. Here the concept of field is enhanced by introducing the notion of discursive practices elaborated by Michel Foucault.⁹ Single discursive elements are concepts like the “character of wine” or the “structure of wine”. But in fact these words are senseless if they are not analyzed in the discursive context wherein they are embedded in a specific discursive practice and wherein they get a specific meaning. The important notions of “terroir” or of “region” in the wine world are objects of intense discursive work to organize its semantics and its relation to other discursive elements. From a Foucaultian perspective, therefore, discourses do not reflect a pre-given reality. Instead, they bring in new conceptual meanings and ways of thinking, arguing, justifying and also new possibilities for discursive strategies. Such discursive practices have an internal coherence which can be regarded as the inner cultural logic of these discursive practices. Foucault identified in his historical analysis of scientific disciplines such inner coherence logics which he called “episteme”. But he thought of these logics as unifying deeper structures for the disciplines in a whole historical epoch (Foucault 1994). The concept of convention – as EC has developed it – is more suitable to model the inner logic of economic discourses in markets for several reasons.

Boltanski and Thévenot (2006) identified a set of conventions as cultural logics which have been identified in many economic analyses and which have proved as a valid and flexible typology of cultural logics for economic coordination. EC assumes a co-existing plurality of such conventions allowing for compromises and conflicts between conventions. Here, the realization of conventions in collective discursive practice is focused, although for EC conventions are always related to objects and cognitive formats and cannot be reduced to discursive practices. Therefore, conventions as logics of economic discourse are labeled “discourse conventions” (DCs).

The different discourses in the wine field have to construct the perceived ontology of wine, of the order of the wine world and have to bring in normative orders applicable to wine. Wine discourses have to construct the common knowledge, how to produce wine the right way, how to consume it adequately and why wine is part of one’s life style, because wine “promises” to be an expression of one’s

life style. It is this discursive work that reduces the uncertainty about wine quality and grounds trust in quality.

This perspective was used to analyze the quality discourses in the German wine field. It was done as combined ethnographical field analysis and qualitative discourse analysis of media, produced in the wine field such as wine journals for consumers, journals for the wine market enterprises, wine guides, self-presentations of wine producers and others.¹⁰ The analysis recovered a set of discourse conventions relevant for the German wine market and the specific form these discourse conventions realized in wine quality discourses.

(1) The industrial discourse convention organizes for a huge part of the wine field its view on how to produce wine and how to ground wine quality. The industrial discourse convention proclaims the application of oenological research, large scale industrial wine fabrication and the long term planning of wine tastes, wine production and wine distribution. The discourse notions of “scientifically educated wine knowledge and research”, “scientific control of ingredients and fermentation”, “scientific and engineer’s expertise”, “technical innovation”, “standardization” and “consumer-taste-orientation”, are the back bones for the discursive construction of wine whose quality should be reliable, not complex, easy drinkable, although, in taste corresponding to the typical smell of grape sorts. Legitimate criteria of success are the volumes of wine bottles sold, the efficiency of industrial planning in the long run, the stability of wine quality produced as well as the market share for the grape-based wine sector.

(2) The domestic discourse convention represents the main opposite discursive order in the wine field. The notions of “wine production as a craftsmanship”, “the winery as a family based atelier”, “family tradition of the winery”, of expertise as “personal and inherited mastership” are important discourse elements. The wines produced are said to represent the properties of the “terroir” the winery owns. “Terroir” is not only a notion to grasp the micro-climate conditions of vineyards and the composition of the soil, but it is the result of a “cultivation” and intense “labor to ameliorate the vineyard”. In fact, the notion of “terroir” covers also the prestige of a vineyard, in Germany the prestigious vineyards have names, printed on the wine bottle labels. In this wine discourse “terroir” becomes a magical word for the vineyards’ potential. The specific “climatic features” in different years as conditions of raising the grapes, the “personal expertise” of the persons

engaged in the winery, its “traditional style of wine making” are concepts which are deployed for explanations for the taste and therefore quality of resulting wine. Therefore, wines should be individual in “character” and criteria of success are high classification results and high prices per bottle. This notion of domestic quality is widely distributed in the media of the wine world. The representatives of this discourse convention are very “chatty” in terms of discursive activity. Paradoxically, most wine consumers recognize the existence of this discourse convention but normally consume wines which are industrially produced.

(3) In Germany another discourse convention is established. In the south-western regions of Germany the regional populations have their own wine taste culture, which appreciate wine produced by small wine producers and often made out of regional grape sorts, like the grape sort Trollinger cultivated in Baden-Württemberg, the grape sort Elbling cultivated in the Mosel region. One could name this discourse convention regionalistic. Here, wine is appreciated because it is part of the traditional everyday culture. The notion of “familiarity” is important here. Consumers often know the wine producer for a longer time because they are located in the neighbourhood and part of local networks. These wines are regarded as part of the regional cultural popular heritage. The notion of “tradition” is also important but it has to be distinguished by the way the same word is used under the domestic discourse convention. Tradition is not linked to noblesse or family tradition of wineries, it is linked to the regional and formerly more rural life styles. In fact, the discourse in this part of the wine world is not elaborated as much as the one organized by the domestic convention, it comes to the fore when its quality is to be explained to people outside the region and when its quality is questioned.

(4) Of growing importance in many markets is the ecological or green convention (Thévenot/Moody/Lafaye 2000). In the wine market, the quality based on the green convention claims in first instance for the specific way of production not for the resulting taste. Notions of “respect for and integrity of nature”, “cycles of natural reproduction”, “self-regulatory power of nature and its soil” are deployed to convince wine traders and consumers of a principally different quality discourse which privileges a way of organizing the wine production which is here the explanation for superior quality. Similar to the regionalistic convention, ecological discourse refers to its embeddedness in regional economies.

(5) The market discourse convention – as the market convention is identified by Boltanski and Thévenot (2006) – is of inferior importance in the wine field. Wine farmers who raise grapes and produce wines as preproduct for the large cellar industry refer to it. The media for wine farmers publish the market prices for this product called “bulk wine” (Fasswein) in regular terms.

4 The conventional structure of the German field of wine producers

In orientation to the Bourdieusian strategy of field construction it was aimed to relate the identified discourse conventions to the positions within the German wine field.

This way, the following graph relates the discursive infrastructure, which is the system of established discourse conventions (DCs) within the wine field, to the system of its organizational forms, which is built up of the possible entrepreneurial forms, wine producers can choose.

The horizontal dimension of the so constructed wine field is mainly determined by the opposition between the craftsman pole and the industrial pole. The horizontal dimension corresponds to different structures of capital organizations.

The vertical dimension is mainly determined by the volume of the different forms of capital wine producer have at their disposal and which are appreciated as resources in this field.

See appendix, figure 1: Discourse conventions (DCs) in the German wine field

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Endnotes

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1 This article has been translated into English (Garcia-Parpet 2006) and it will be translated into German (Garcia-Parpet forthcoming).

2 The seminal paper of Garcia-Parpet (1986) is the first economic contribution to demonstrate the later so called "performativity" (Callon 1998) of economics: economics perform the economy applying their economic theory as blue print for economic institutions.

3 See for the green convention Thévenot/Lafaye/Moody (2000).

4 The actor-network-theory (ANT), which was developed in close contact to EC, also regards these processes of quality constructions in markets including materials and objects into the analysis (Callon/Mehadel/Rabehiosa 2002).

5 In a physiological experiment 54 students recruited from an oenological program at the University of Bordeaux, had to taste a red wine and a white wine in a first session. Then these students had to describe these wines. Out of the wine descriptions the two wine descriptive languages for red wine and for white wine were extracted. In a second session students again had to taste two wines. This time a red wine, but the second wine was an artificially red colored white wine (using smell-free food color). Again students were asked to describe these wines. This time for both wines the descriptive language for red wine was applied by the students. The authors conclude that because of the visual perception the students discounted the olfactory information (Morrot/Brochet/Dubourdieu 2001).

6 See for the concept of social distinction Bourdieu (1984).

7 Robert Parker is a worldwide known wine critique, his journal "Wine Advocate" and his wine recommendations (based on his rating system) are influencing the international wine tastes as well as pricing politics of wineries (Langewiesche 2000; Diaz-Bone 2005). See also the documentary film about the wine world *Mondovino* (made by the director Jonathan Nossiter in 2006).

8 See for the concept of market intermediaries Bessy/Eymard-Duvernay 1997; Bessy/Chauvin (forthcoming).

9 See for the critique of Bourdieu's notion of discourse and the integration of the Foucaultian discourse theory into field analysis Diaz-Bone (2010).

10 The first part of the empirical field work was done between 2004 and 2007 (Diaz-Bone 2005, 2007). It was later continued.

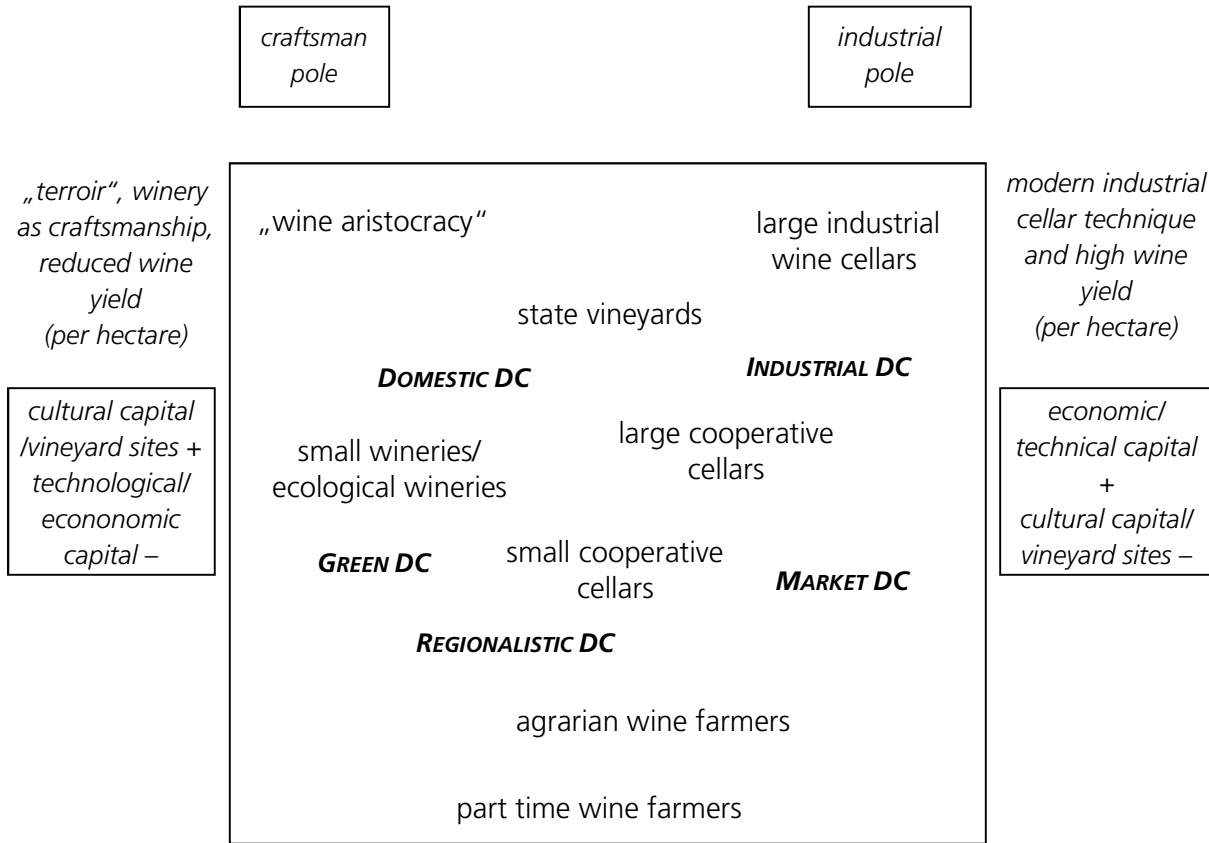
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Appendix

Figure 1: Discourse Conventions (DCs) in the German Wine Field



Economics of Convention as the Socio-Economic Analysis of Law

Christian Bessy interviewed by Rainer Diaz-Bone*

Christian Bessy is CNRS-researcher at the Ecole normale supérieure (ENS) at Cachan and works at the laboratory "Institutions and historical dynamics of economy" (*Institutions et dynamiques historiques de l'économie, IDHE*). He belongs to the French movement of "economics of convention" (in short EC) and has written many articles and three books, *Les licenciements économiques. Entre la loi et le marché* (1993), *Experts et faussaires. Pour une sociologie de la perception* (together with Francis Chateauraynaud, 1995) and *La contractualisation de la relation de travail* (2007). Bessy also has co-edited three books *Les intermédiaires du marché du travail* (together with François Eymard-Duvernay 1997), *Des marchés du travail équitables? Approche comparative France/Royaume-Uni* (together with François Eymard-Duvernay, Guillemette de Larquier and Emmanuelle Marchal, 2001) and *Droit et régulations des activités économiques et institutionalistes* (together with Thierry Delpuech and Jérôme Pélisse, 2011). Christian Bessy has recently published an article in the issue 14(1) of this Newsletter (Bessy 2012).¹

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RDB: You are a representative of the second generation of the socio-economic institutionalist movement of the economics of convention (EC). Could you describe the pathway of your formation and career?

CB: From the outset, my training was marked by interdisciplinarity because my studies of economic sciences have been supplemented by lessons in law, but also in the history of economic thought, which prepared me very early for an epistemological reflection on my basic discipline and in particular on the economic theories of value. On the other hand, my studies at the ENS de Cachan allowed me to assimilate a variety of quantitative techniques that I could quickly put to the test. These academic studies have also allowed me to deepen my knowledge of monetary phenomena and of the Keynesian approach which emphasized their conventional dimension. It took little that I continue my thesis in monetary analysis, but I opted for the labor economics by writing a PhD thesis on the regulation of

economic dismissal under the direction of François Eymard-Duvernay, which in the mid-1980s was interested by the diversity of employment relationships.

I had the chance to do this PhD thesis at the CEE (Centre d'études de l'emploi – Center for employment studies), which was at the time an organization for studies and research (under the tutelage of the Ministry of labor) which brought together researchers from several disciplines of social sciences. The research work done at CEE was based mainly on statistics, but there was also a tradition of field-work by the CEE and this quite naturally let me focus to make interviews with labor inspectors (following the advice of Nicolas Dodier) and managers of human resources to analyze how they argue their decision of economic dismissal and in particular how they justify the selection of the dismissed employees following different logics of action.

I came in contact with the "Economies of worth"-approach (Boltanski/Thévenot 2006 – first edition 1987) when I was a young student and this has been a great intellectual experience for me to cope with this model of justification of action (subject to some criticism at the time). I gradually familiarized myself with the idea of the social construction of social facts (in particular the construction of statistical categories). My law professors taught me about the relationship between morality and law, or legitimacy and legality. And the reflection on the construction of the category "dismissal for economic reasons" in France (following Robert Salais' track on the "invention of unemployment", see Salais/Baverez/Reynaud 1999) was a remarkable insight to investigate tensions between the statistics and the monographic investigation and how it could articulate them. But this reflection on different forms of coordination then led me to reflect on the strategic use of conventions that some players may make, by analyzing procedures of recruitment (with François Eymard-Duvernay and Emmanuelle Marchal) and affairs of counterfeits (with Francis Chateauraynaud).

RDB: As a transdisciplinary approach EC is known to include the analysis of law in its political economy. Could you describe how EC analyzed law in the field of economy? What was the agenda of EC's "economic sociology of law"?

CB: EC has integrated the analysis of legal rules as other approaches did, which are interested in the way institutions are structuring economic exchanges and which avoid different forms of functionalism – as approaches do who are searching for optimal institutions or for the minimization of transaction costs. This integration results from EC's empirical interest for public policies, especially in the field of employment and concurrence and from the interest in the ways of their evaluation. Therefore, EC has developed a whole methodology for the analysis of law, of the genealogy of juridical categories (lawsuits, trials and forms of knowledge they generate) and of the usage actors make in situations – thereby examining the different juridical doctrines as well as their relation to economic arguments. EC has always been in search for the continuity between the two disciplines because of EC's interest in operations of qualification. These are at once present in juridical judgments and in legitimating judgments (Thévenot 1992, 2012). EC has been interested in the study of the play of interpretation of rules with reference to conventions, but also in shared experiences which are not made explicit and in the question of justice analyzed in the theoretical frame of a pluralist theory of justice.

From this standpoint, EC has followed the work of the early American institutionalists, which were highly influenced by the pragmatist philosophy. Here, the institutionalist John R. Commons is the important example but he used concepts and a methodology with took much more into consideration the century of the social sciences. Like other institutionalist approaches, EC studies the constellations of cognitive artifacts, legal instruments (like contracts). The latter are designed and used by the legal professionals and play an important role of mediation between legal statements and the dispositives, which actors invented for their purpose of coordination. This is why the analyses of what we called the "intermediaries of law" is so important (Bessy/Delpeuch/Pélisse 2011). They are privileged starting points for the articulation between different logics of action in their everyday practice to define what law is.

The actual work of our team (Olivier Favereau, Franck Bessis, Camille Chaserant and Sophie Harnay) about the evolution of the lawyer's profession (see Favereau (ed.) 2010) shows the complex entanglement between the evolution of law (it is becoming more individual, more processual and more global) and the organizational forms of lawyer activities.

This work gives a good illustration of EC's program as a socio-economic analysis of law which not only takes into account the contributions of the sociology of professions but also the political and legal philosophy. The reason for this is the aim to analyze the ideological questions and the emergence of the European law at the macro level. This program integrates also research on the new legal status of enterprises and on the regulation of recruitment procedures.

RDB: You mentioned the notion of "intermediaries" (intermédiaires). You applied this concept also in your research on the market of photographers (Bessy 1997). Is it restricted to persons as "intermediaries"? Could you explain this concept and how it is used in EC's specific methodological approach?

CB: Yes, in fact, with the notion of market intermediary we refer in first instance to professionals that participate in constructing and sustaining markets. They play an active role in defining rules of transactions and in defining frames for the evaluation of qualities of products and persons. Intermediaries contribute to in the creation of a common knowledge that makes the well functioning of markets possible. This knowledge is distributed between persons and objects. It is cognitive artifacts defining formats that make possible the accumulation of information (Hutchins 1995). In the case of labor markets, occupational classifications, job advertisements and CVs, aptitude tests and interview techniques can be regarded as intermediaries ... So one can interpret persons and objects as intermediaries – joining the sociology of translation of Michel Callon (1991) although he distinguishes "intermediaries" – which only transfer information –, and "mediators" – which play a more active role of translation that has an always uncertain outcome. Economists try to understand what we call market intermediary by using the notions of "middleman", "broker", "market-maker" or "match-maker". But here the emphasis is on the reduction of market imperfections and very little is said about the operation of quality categories structuring the information. Instead, a lot is said about the articulation of different logics of action or about the adjustment of general rules in special situations of action. It is especially this idea of mediation and articulation between different worlds which made EC and the actor-network theory (ANT) developed by Callon and Latour much closer approaches at the end of the 1980ies – even if EC is more interested in the analysis of quality questions and questions of justice as ANT is. From a methodological standpoint the analytical practices of both were very close. On the one hand the analysis of intermediaries constitutes a perspective on different logics of action. On the other

hand the mobilized cognitive artifacts open the pathway not only to these logics of actions but also to the analysis of their dynamics, their transformation as we have shown in our studies of job advertisements and labor contracts. We were interested to find the artifact which could be collected easily and which also offered systematically an empirical richness. We had an economic concern about this.

RDB: What is your perspective on the role of cognition for the economy and what is the contribution of EC to the inclusion of cognition into institutional analysis?

CB: This issue is extremely general but also fascinating. In fact, it is also the question about rationality because it examines the way our knowledge explains our actions and it questions the level at which we take decisions – at the individual or the collective level. The question addresses also the problems of learning, of transmitting and of memorization of knowledge from the moment on where knowledge can not be reduced to representations but has to be conceived as based on experience and in particular as based on our environment (Bessy/Chateauraynaud 1995; Bessy 2003). EC's contribution is critically related to the neoclassical approach in economics, which considers omniscient individuals, able to explain their choices because of perfect knowledge of their preferences, of existing constraints and of the environmental opportunities. This kind of individual is also capable to give up some part of its liberty, its "subjective rights" because it has to account for common rules. All this requires calculative capabilities of the individual that individuals can – logically – not have. Friedrich Hayek has underlined the cognitive limits of individuals and the impossibility of perfect social intelligence (economist's models included) and this way he has criticized such a constructivism which justifies the intervention of the state as a maximizer of the collective welfare (aided by economic specialists). Hayek preferred the more spontaneous selection process of norms by the "market".

EC has criticized the idea of a "contrat social" which would be transparent to the individuals and which could be continuously (re)negotiated. Instead, EC regards individual's capacities as fundamentally "incomplete" in the sense that individuals can not permanently deliberate in a completely transparent relation. One can not reduce the social objects to the individual level and it is necessary to recognize a certain form of autonomy of the social and of common beliefs (which also constitute the autonomy of the social). Individuals then can stick to these common

beliefs following very different motifs and applying more or less deliberative processes.

You can find the notion of the limited cognitive capacity related to a form of procedural rationality in the work of Herbert Simon. But this theorist of cognition models the information processing using an individualist concept of how representations are elaborated. But this elaboration is also a collective one when several actors and cognitive artifacts are involved in the process. The distributed cognition-approach permits to take into account not only the collective processes of the elaboration of representations (and the relational character of cognition) but also to better understand the relation between the individual representations and the collective representations, the institutions, arisen from history and the ongoing experience, that can be incorporated into the cognitive artifacts or – if not – into the memories of individuals.

But – symmetrically – because of the limited capacities of memorization, the institutions and the associated social relations fix the cognitive processes of the memory (and of forgetting), of classification and – more general – of learning logical concepts (see Mary Douglas 1986). This way EC and also other institutional approaches (see for the new economic institutionalism, NIE, the contribution from John Knight and Douglass North 1997) adopt a much more complex point of view on the relation between cognition, rationality and institution.

RDB: What are the consequences of this complexity for the methods used by EC and the methodological strategies of EC?

CB: When I interpret your question from the methodological standpoint of EC, then the answer we would give is to defend a methodological pluralism. Thereby, every method is always the object of a questioning – this has by the way led some of the founders of EC to develop a critical perspective on the usage of statistical methods because reductions realized by the processes of statistical coding and because of the application of econometrics that brings in the questioning of the underlying assumptions of causal links between two variables. All this explains why numerous studies applied correspondence analysis allowing for the construction of typologies which clarify the contrasts of different forms of coordination – especially in the domain of labor relations or organizational forms. Personally, I tried to go further in explaining the belonging of single individuals to a type by searching for explaining factors (see my article written together with Daniel Szpiro about the diver-

sity of labor contracts, 2011). But this statistical practice has not prevented me from being sensible for the problems of the construction of statistical data analyzing survey data. Together with other researchers I developed questionnaires. And in such a development, the main issue is to find the trade-off between using robust measures and leaving "space" for researchers and interviewed persons for their discretion and initiative. What matters is the fact that the building of variables is the result of a construction that must be well controlled by the researcher. The precedent realization of qualitative studies prepares in a better way the "passage into the quantitative", but for any empirical method used, you will always find the problem of the imposition of cognitive categories by the researcher. The methodological constraints of EC's proper research program are therefore very costly.

RDB: You mentioned the new economic institutionalism (NIE). What are the differences in the research on contracts, dismissal and contractualization (of labor relations) between EC and the work Oliver Williamson has done on it?

CB: Before underlining the differences I would like to emphasize certain convergences (and see in more detail for the convergences of new economic institutionalism and EC, Bessy 2002). From a theoretical perspective it is important to take into consideration the critique Williamson addressed to the "legal centralism". Its too formal character inhibits an adequate regulation of labor relations which are characterized by uncertainty and which are an engagement in idiosyncratic relations. He tried to demonstrate the superiority of a legal model fundamentally based on the private order and therefore on a form of self-regulation based on collective negotiations or more informal rules in enterprises. He defends a form of "legal pluralism" or "contractual pluralism" relying on the typology of contracts proposed by the lawyer Macneil (1978). It's this – surely very general idea – of a plurality of "institutional settings of transactions" and of a truly interdisciplinary analytic construction focused on actor's practices. In this aspect Williamson's approach convergences with EC. By the way, the construction of data bases about contracts is a methodology developed by the new economic institutionalism and I was sensitized for it because of my frequent participation at the international conference of ISNIE2 and my work done together with Eric Brousseau about technology license contracts (Bessy/Brousseau 1998). But in difference to license contracts the labor contract is characterized by a relation of subordination. For this the power of the employer is constrained by state law – especially in

France. The analytical difference between NIE and EC results for EC in the fact that different contractual forms do not correspond to different forms of equilibrium (assuming the same logic of strategic calculation) but to different labor conventions. It does not prevent both approaches to have difficulties to take into account power relations.

RDB: With regard to the book "Droit et regulations des activités économiques", which you co-edited, what are current trends and perspectives in the field of the "economic sociology of law"?

CB: The collection of articles in this book pose the question about the character of the relation between law and economic action: is the relation exogenous or at the contrary is it endogenous? Thereby, the articles present the critiques and the contributions of the sociology of law (in particular from the US) and of institutional economics (in particular of EC) – with regard to an exogenous conception of law. The articles emphasize the way economic actors operate at their level the reconstruction of categories and of legal rules and they emphasize also the mediating role of the "intermediaries of law", supports and dispositives which equip their actions and frame the situations. The privileged object of knowledge is the legal experience of the economic actors. The start with the intermediaries of law needs to be grounded because their activities have shown important evolutionary changes. The construction of the European internal market endangers the "quality" of the performances of legal services, maybe the quality of law if the ongoing process of liberalization is driven to its extreme (Favereau (ed.) 2010; Bessy/Delpeuch/Pélisse 2012). To say it in another way: does the regulation of economic activities, in which in particular the enterprises (able to pay higher fees to engage the best lawyers) are interested, has to include the legal requests of underprivileged private persons? Another perspective is to study the ways how ethical and fundamental individual rights are applied as well in the development of law as in the intervention of the regulating authority or the judge. Effectively, the economic theory of incentives offers an extremely powerful tool able to "endogenize" different objects – the respect for certain values and ethical principles included. If one regards legal judgments as equipped with a specific status, then it is necessary to consider the elements of the argumentation which are lost by the economic calculation or scientific proof because law pursues possible contradictory goals and because there is arbitrage between rules of different nature. All in all one can not evaluate all the consequences from an economic perspective using explicit given

criteria in domains where criteria of economic efficiency are not really pertinent (as education, culture, health, environment ...). The analysis of court decisions in these domains permits showing how the judges are able to work out compromises between economic liberties on the one side – which are elements of the construction of the internal European market as the freedom of settlement, free circulation of market goods and of services – and other fundamental social rights on the other side. So we have to turn towards the pluralist theory of justice defended by EC.

RDB: Before you mentioned the work you did with Francis Chateauraynaud. Together you co-authored the book on experts and forgers (“experts et faussaires”). How does this co-operative work relate to economic sociology and EC?

CB: Our collaboration started at CEE where Francis did his PhD thesis about the “faute professionnelle” supervised by Luc Boltanski. We became naturally close because I worked on the selection of dismissed employers with reference to the model of the “economies of worth” (Boltanski/Thévenot 2006) – this approach was very present at the CEE in these years. Also the analysis of labor law and in particular the role of dispositives and objects in the coordination were common research interests. And it was exactly the role of objects in the model of economies of worth which – from our point of view – was handled in a problematic way because objects could be affected by a great uncertainty or they could try to take on the appearance of conventional forms as in the case of counterfeits. This perspective has brought in the question how conventional criteria are strategically used. These conventional criteria have a great power in the process of coordination. At the intersection of the sociology of judgment and EC we observed the activities of auctioneers in order to grasp the practical operations sustaining the qualification of objects in cases where identification, characterization and evaluation of objects have been problematic. After long time of research about the authentication of objects in different domains, this research materialized some years later in the book *Experts et faussaires* (Bessy/Chateauraynaud 1995). From the standpoint of the “normal” disciplines of this time our book was barely conventional. Maybe it will be still more improbable in our times in which the effects of specialization in the disciplines are more comfortable for contemporary research projects. We worked out a theory of expertise which allows to understand the modalities how the categories of judgment are established. The ethnography of the auctioneer’s preparation to estimate the values were important. And it is not by accident that in

France the word “prise” is used – although this usage is not aware – it echoes at “priser” (to price), in fact to fit a price to objects. This brings up the idea of a two-sided process of attention to and valuation of objects, the passage of perception to representation or qualification of objects. Our approach was developed in a huge empirical program proposing to start from moments of proof in which the “bodily anchorage” of intersubjective judgments or conventions necessary for authenticating actions. Without these, actors were not able to identify, classify and organize the signs into a hierarchy – therefore, right from the start the importance of the strategic engagements and games of experts and forgers. By opening a realistic way to the center of pragmatist sociology, the “théorie de la prise”, has launched multiple research programs and the study of the evaluation process of objects is the first probation. In economics, and in difference to the numerous applications of the “economics of singularities”-approach (Karpik 2010), it is always the question of learning, of the role of backstage capacities and practical knowledge in the production of individual or collective “rationality”, which has coined the principal perspectives of our developments. Rediscovering the role of the “prises” in the functioning of organizations is done by analyzing the interplay of memorizing and transferring the knowledge, which is characterized by its tacit dimension as well as by the incremental technological innovation (Bessy 2003). In the framework of the “théorie de la prise” and the concept of distributed expertise, which it makes possible, studies on the protection of innovation (and its different alternatives) or on the collective management of intellectual property rights have been grounded (Bessy/Brousseau 2006). More generally, to start from the “prises” of objects enables one to take into account all the intermediaries which participate in the construction of markets: mediators, experts or prescribers, all of them can exploit the informational imperfections in a strategic way (Bessy/Eymard-Duvernay 1997).

RDB: What is your future research agenda?

CB: It is this reflection about market intermediaries that I deep further today with Pierre-Marie Chauvin. We show how intermediaries contribute to define valuation through their different activities and impulse conventions that can improve the coordination of actors, but also reorganize the markets in different ways. These changes raise the issue of the valuation power of market intermediaries, their legitimation and the eventual regulation of their activities.

Legitimation is a big theoretical issue and we can advance different legitimizing sources beyond the legitimacy of the convention used by the actor: the “symbolic capital” of the intermediary (bourdieusian perspective) or a network of aligned actors that is produced by different operations of mediation (latourian perspective). These different approaches of legitimacy can be considered as alternatives but a clear-cut distinction of this kind may be difficult to make in empirical markets. The question of the explanation of the diffusion of conventions represents a problem that constitutes a discussed topic within “Economics of convention”. I have personally discussed this question (Bessy forthcoming) in a critical comment of André Orléan’s book *L’empire de la valeur* (Orléan 2011). That also raises the issue of theories of value in economics and economic sociology. I presently organize a seminar in IDHE called *Value, price and politics* in order to underline the political dimension of different valuation process, with an interest to different kinds of “market”, including the market for contemporary art. This is also a coming back to the politics of authenticity and of authentication that we have coped with in our book *Experts et faussaires (Experts and forgers)* (Bessy/Chateauraynaud 1995) and of which we prepare a second edition. I have already mentioned my future research concerning law and the role played by lawyers in the emergence of legal norms. I can only add that I will be particularly interested concerning intellectual property rights.

Endnotes

*The interview was done in French, the translation was done by Rainer Diaz-Bone.

1This interview continues the series of interviews in this newsletter with representatives of this French approach. See the interviews with Laurent Thévenot (2004, 2006), Robert Salais (2008), Olivier Favereau (2012) and Claude Didry (this issue).

2<http://www.isnie.org/>

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Contributing to a Pragmatic Institutionalism of Economic Law

Claude Didry interviewed by Rainer Diaz-Bone

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RDB: How were you trained as an economic sociologist and how did you become part of the economics of convention (EC)?

CD: I came to social sciences by chance and completed a master in econometrics. But through the reading of Durkheim I discovered sociology as a science dealing with "social facts": it was a turn for me, in my training at the Ecole normale supérieure (Rue d'Ulm). I focused on the importance of the "professional groups" reform announced by Durkheim, and its influence on the French system of industrial relations in a memoir under the direction of Luc Boltanski at the EHESS. My memoir was the basis of my meeting with Robert Salais in 1990, for a special issue of a journal on the "discovery of the social fact" (Didry 1990).³ It was, in fact, the opportunity to discover the "économie des conventions". But I read also *L'invention du chômage*

(Salais/Baverez/Reynaud 1999), and it enabled me to make a link between the idea of the theory effect (used by Bourdieu about Marx, applied by me to Durkheim) and the plurality of conventions at the core of the theory of Robert Salais (1989). In the research group "Institutions, emploi et politiques économiques" (IEPE), directed by Robert, I met Antoine Lyon-Caen, Law Professor at Nanterre (Paris X), who became, with Robert, my director in a PhD on the juridical construction of the "convention collective". In an historical perspective, I meant to analyze together the production by lawyers of a new category, the "convention collective", and its mobilization by the economic actors through the lawsuits gathered in the "jurisprudence". Lawsuits were taken as "reality tests" ("épreuves de réalité"), through which actors discovered the divergence of possible worlds or conventions implied by their coordination and were obliged to make such conventions explicit.

RDB: In the book you mentioned – Naissance de la convention collective (Didry 2002) – you applied the model of "worlds of production" and the concept of possible worlds to the analysis of juridical work. Could you explain this new application of a model from EC and its consequences for a better understanding of law?

CD: I discovered something very important: at the beginning of the twentieth century, workers and employers didn't work outside the law. The Code civil was a reference for them. This means that nothing like a pure labor market outside the law existed, so labor law couldn't be seen as a pure creation fulfilling a vacuum, but has to be seen as an answer to problems addressed in the grammar of the Code civil. The project of legislation on "convention collective" was then formulated on the basis of these juridical problems encountered in lawsuits, i.e. on litigations formulated in juridical terms and in specific productive situations. The Salais' concept of "world of production" has been for me an important tool to apprehend the diversity of these situations, in which work can be analyzed as an activity oriented toward the realization of a product, and where a plurality of labor conventions are operating. With strong contrasts between, for example, the Lyon's silk industry (dominated by domestic workshops) and the mines in the north of France, and with heterogeneous forms of organization

in the same "world of production": for example domestic workshops together with plants, such as in the case of a small town of silk weavers, Chauffailles, where the first lawsuit constituting the "jurisprudence" on collective agreements took place. Lawsuits specify the moment in which labor conventions encounter concrete and sometimes material problems, at the light of the juridical categories, under the evaluation of a judge, i.e. someone who has a disinterested knowledge of the law. For the historian and the sociologist, it is a "trace" of these moments where actors are feeling obliged to qualify such problems in juridical terms and to explicit their views of the conventions. In the case of the "convention collective", the main problem was to understand in what way agreements ending a strike could be applied to individuals, in frequent situations where no union existed, and where the freedom of individual contracts guaranteed by the Code civil enabled employers to avoid such an application. The couple "strike and lawsuit" was the trace of a problem in labor conventions, for which the lawsuit in itself brought a narrative of the problem in legal terms. For example, the divergence between wages in the domestic workshops and in the plants, in the case of Chauffailles judged by the "Cour de cassation" in 1893. So, the debate was based on a juridical problem and the discussions firstly took place in the circle of lawyers analyzing the jurisprudence with their specific point of view focused on law interpretation, different of the point of view of the actors or of the social researcher focused on the concrete problem of the world of production.

I interpreted this debate as the process of production of a new legal category, providing the economic actors with a new reference to express the problems encountered by the concrete coordination in their work, i.e. putting to test the conventions they were part of.

In the production of this new category, several ways of conceiving law were confronted and had to be coordinated. This revealed several possible worlds in the real world of the law, leading me to an analogy with the articulation of a plurality of possible worlds of production in the real worlds of production analyzed by Salais. It opened also for the economic actors several ways of seeing law in the worlds of production, discovering new possibilities, addressing new problems.

RDB: Could you sketch out principle elements of EC's view on economic law, what economic law is? And does EC offer contributions to a sociological theory of economic law?

CD: It is hard to isolate in law what one could name an "economic law", maybe for France could we take the example of the "Code de commerce" as a business law. But even in this case, the Code de commerce applies to contracts and implies principles mentioned in the Code civil as the general law of the contract, it implies also the right of attacking the decisions of the "tribunaux de commerce" in courts of appeal and the court of cassation, i.e. the common civil jurisdiction.

Law remains a complex set of rules that make sense in the economic situations. Thus, EC brings in a perspective on *law in economy*, i.e. on how people in economic situations mobilize and interpret law as a tool for the understanding their situations and what is wrong inside them. This means that, contrary to the "law and economics" movement, there is nothing like law on the one hand and economic mechanisms on the other. It means also that, contrary to the williamsonian neo-institutionalism, law is not a regulation embedded in an organization dictating the individual behaviors.

With EC we reach a specific sociology of law in the sense of Max Weber. We find in EC's perspective the weberian distinction between two complementary points of view on law: first a theoretical or "juridical" point of view mainly developed by the lawyer and analyzing the meaning of a juridical rule as part of a system. Second an empirical or "sociological" point of view as "what becomes the rule in the community" (Weber 1978a).

Contrary to the classical sociology of law that we can find in Georges Gurvitch's writings under the name of "droit social" (which is conceived as a product of non-juridical social forces), law is here present in the individual's social activities and expectations.

RDB: In the course of the interview you addressed to the way EC explains the emergence of economic institutions. Could you say some more about your methodology how to study and how to explain institutions from a historical perspective?

CD: Methodologically, EC implies a new division of labor in the social sciences. The first challenge is to break the "Berlin wall" between, on the one hand, economy as the science of freedom and rationality and, on the other hand, sociology as the science of obligation and conformity. There is nothing like the spontaneous order of the market looking for the secure harbor of the institutions, when things turn wrong in economy. The concept of "institu-

tion" does not mean discipline of the individual behaviors. It means a common reference in the coordination of the individuals through which they can discern their complementarities and their differences. The second challenge is to break the wall between political science, as the science of the State, and sociology, as the science of the "civil society". For example, "governance" as a way to discuss the monopoly of the State and its association with "civil society" in the decisions designing the future state of the society, is not the good answer, insofar it remains in a "decisionist" scheme. The State is not only to be conceived as the monopoly of the use of force, it is also the organ of a "social thought" (Durkheim) playing an essential role in the assessment of institutions and their elaboration as social categories for the social and economic actors. This leads to the third challenge, overcoming the "technical aspects" of juridical sciences, in order to be able to see law as a source of information on society and economy, for the actors and the researchers. The fourth challenge is to take history as something larger than the succession of periods portrayed by the reading of archives, in order to understand it as the dynamics emerging from the practices of the actors. This leads to a "reflexive" history of economic and institutional dynamics, in which the archives themselves are seen as the result of practices, without naturalizing economic categories as the market, the capital, the labor, the firms...

RDB: In the development of your pragmatic institutionalism of economic law you combined the work of Max Weber with EC's notion of worlds of production. What was the reason you made use of Weber's theory and what is the advantage of the result if compared to Weber's classical sociology?

CD: The reading of the weberian sociology is shared by two interpretations: one focuses on the rationalization process, the other focuses on the conflict between values. Iron cage of bureaucracy against anarchy? It leaves room for imagination!

Weber's sociology of law seems to give little space to fantasy as it has been seen as a specific rationalization: formal rationalization. It echoes the positivistic view of law, later symbolized by the theory of pure law by Hans Kelsen, as a way to understand the historical roots of this juridical positivism (Kelsen 1967). It means the conception of law as a systematic organization of juridical rules, produced in the end by the jurists.

But if you read the last chapters of Weber's *Sociology of Law* (Weber 1978a), things are more complicated nowadays: formal rationality of law is not the end of history; it is always submitted to criticisms. The first criticism comes from the "material" side, i.e. from the feeling of a contradiction between ethical justice and the effects of the positive law in society. Weber finds it in the influence of neothomism on certain jurists, who claim for just prices in transactions guarantying the dignity of men as God's creatures, against the enforcement of misery by the formal law based on contractual freedom. He finds it also in socialism as the claim for the rights of work and workers against individual property. The second criticism targets the ideal systematicity of law at the light of social practices. It is symbolized for Weber by Comte's positivism and implies a "legal realism" in front of the evolution of practices and the problems this poses to law. These criticisms don't cancel jurists' work, as the permanent systematization of the juridical rules, but they give space to reforms, especially in a parliamentary republic. Weber suggests it in his very courageous articles at the end of World War I, on government and parliamentarism in Germany (Weber 1918b). He says that the parliament produces "sophisticated laws", as a result of a discussion process.

This gave me the idea of two dimensions that could enable me to describe the production of new laws in a parliamentary republic: one based on the tension between the material and the formal, the other based on the tension between rationality and irrationality. This naturally echoes the dimensional space of Salais and Storper's "worlds of production" (Storper/Salais 1997). It suggested me to identify what I called "worlds of law", as a way to see law and to propose improvements (see attached graphic). On the material side, I identified three "worlds" in function of their "rationality": the world of welfare sees law as a mean for policies answering ethical and macro-social issues, the world of the collective interests balance sees law as the basis for autonomous negotiations and agreements, the world of "cadi justice" focuses on individual disputes resolutions and sees law as an indication for identifying "uses". On the formal side, the world of the jurists sees law as part of a system of rules (formal rationality), the world of formal jurisprudence sees law as a mean for coherent juridical decisions and the world of notables sees law as the basis for the training of the lawyer that echoes the Common law regime based on the reference to precedents.

In this scheme, you can imagine reforms in each of the worlds but in a parliamentary republic a majority has to be

found which satisfies other worlds' view. This takes the form of a discussion on a project, which can find its majority after amendments. It can also enable to analyze the way politics apprehend the uses of law by the economic and social actors and formulate law propositions: for example, through macro-indicators in the world of welfare, through "hard cases" in the world of "cadi justice", through identification of juridical contradictions or adverse effects for the world of jurists... But the scheme I proposed is above all heuristic, it is a way to analyze law as the result of debates i.e. the encounter of several argumentations in which researchers have to identify worlds of law.

RDB: In your reconstruction of the worlds of law (Didry 2002) you analyzed historical discourses to reconstruct the birth of new economic laws. What, from your point of view, is the role of these discourses for the development of economic institutions – such as economic laws?

CD: Collective agreements are too often seen as an obvious solution to the not less obvious problems of capitalism. In this perspective, one task remains: observe how a collective "nebula" of social thinkers and politicians could push the necessary reforms, through a form of a "great coalition" of the men "of good will", in front of the evidence of a hypothetic "social question".

But if so, why so many debates, why so many hesitations, why politics?

Because the problems themselves are not so obvious, they depend on the way you read reality, on your "episteme". That is why I insisted on different epistemes, and on different ways of identifying the need for reforms that echoes together to the way economic and social actors could see their own situations, and to the discussion of the lawyers assessing the consequences of the change they intend to introduce in law.

I believe, Durkheim's reading of the social world starts with the discovery of society inside the individual interactions through law and work. The problem here is the *social need for justice* in the contracts, especially the labor contract that leads to the proposition of professional groups as a procedure to solve this problem: what is important is the election of representatives by the workers to find legitimate solutions. It has to be seen in context with the proposition of "conseils du travail" emanating from socialist deputies, as Alexandre Millerand and Arthur Groussier. Social Catholicism starts from the misery of the workers,

and identifies the *need for social justice* guaranteeing the dignity of man that capitalism has kept remote from God. What is important here is the protection provided by the collective agreement, as a form of regulation. Le Play's disciples such as Paul Bureau identify the need for collective discipline that can be provided by a strong union organization, complementarily to Le Play's "patronage". They were close to the English union model.

I think, the way Durkheim saw things was the core of the "convention collective" reform, with this strange idea of "groupements" able to conclude a "convention collective" you find in the 1919 law. It is exotic for people like us, who use to see the "convention collective" as a union contract.

Today, we could take EC as what you call a "discourse" among several ones, such as the diagnosis of a post-industrial society (in the sense of Touraine or others), or the neo-liberal economic theory. I think that Robert Salais had this intention in the European Programs he conducted to propose reforms at the EU level, but you know it's a complicated question, since Weber...

RDB: Similar to François Ewald who analyzed in his famous study on the genealogy of the welfare state the juridical discourses about the insurance law at the end of the 19th/beginning of the 20th century, you systematically analyzed the juridical debates about the convention collective (Ewald 1986). But in difference to Ewald who (as the last assistant of Michel Foucault at the Collège de France) relied naturally on Foucault's notions of discourse and governmentality, you started with the model of worlds of law. Now you mentioned the Foucaultian notion of episteme which denotes a deeper cognitive schema (Foucault 1994) and in your book "Naissance de la convention collective" you use the notion of "registers of argument" – some more discourse analytic notions.

How did you combine the analysis of the juridical discourses and registers of arguments with your starting point of worlds of law?

And how did you advance explanatory power for EC's analytical perspective?

CD: The "discourses" on society and its reform I heuristically present as "episteme", have to be seen in two ways. On the one hand, they draw meaning or interpretations of the juridical rules for the economic actors, especially

through the action of organizations such as firms, political parties, unions or even religious groups. It evokes what Ewald calls “l’expérience juridique” (Ewald 1986, p. 29), which has its plural: a plurality of epistemes for a plurality of “expériences juridiques”. On the other hand, they indicate fields for reforms i.e. a legislative work that take the form of debates in and around the Parliament.

I would add, to clarify my position toward Ewald and Foucault, that under the rule of law, the notion of “governmentality” addresses the problem of an inadequate conception of the state. It reduces history to the evolution of the government and of the discourses through which its action is conceived, leading to the exclusion of the legislative power and of the diverse experiences of the economic actors. It leads me to the heuristic idea of “legislativity”, to integrate the legislative and judicial debates in the analysis of the social development. The different epistemes I identified, through the discourses on society, are acquainted to the worlds of law I derived from the reading of Weber’s sociology of law: they could be seen as “regimes of legislativity”. Take the case of Durkheim’s proposal on professional groups, I see it as an organization of a more general claim of justice, and thus as a new way of judging which evokes the “cadi justice”. If I take the case of Social Catholics, their claim for rules guaranteeing the dignity of human beings is related to policies (for example on time duration, minimum wages) controlled by an administration, evoking the welfare world. The focus on union, which can be found in the analysis of some of Le Play’s disciples, is related to the world of the balance between collective interests, built on the representation of these collective interests by unions.

But the story doesn’t end here. We have to go to what happens in the labor conventions, which draw a plurality of economic dynamics based on the coordination of the actors, i.e. entrepreneurs, firms and workers. Convention means for me coordination from the point of view of individuals, who believe they share a common knowledge. Strikes and processes are motivated by the need to make this common knowledge explicit, to find common bases for the coordination at stake. Juridical rules are taken as the categories used by the actors through the lights of the epistemes I identified, for the narration of their search of common bases, for the building of concrete registers of argument to make explicit the “trouble” in the coordination and find solutions to make the coordination practicable again. The explanation of economic development lies in

the motives of the actors, i.e. in their commitments in conventions.

RDB: Could you explain how IEPE and IDHE developed and what are their main research fields?

CD: IEPE was created by Robert Salais in the aftermath of *L’invention du chômage* (Salais/Baverez/Reynaud 1999). The project was to come back to the social and economic actors, the way they make history not only as adaptation to macro-trends but as choices and realizations in situations. It took statistical data as shading light on these situations, at a specific time in a specific space, in order to draw what Weber calls a “Gedankenbild” (thought-image).

The 1992’s research Robert Salais made on a set of firms subsidized by the “Fonds national de l’emploi” (to finance pre-pensions) and by the “Fonds industriel de modernization” (to finance innovative investments) in the 1980ies was a milestone in IEPE. It classified these firms on the basis of their accounting variables, and identified “typical firms” for a further inquiry on the motives of their managers, union representatives, workers and, in the end, the economic conventions at stake ... It reverses the common view on statistics in which monograph is the testing phase before collecting data. It is for me a form of a “pragmatic turn” in statistics.

It explains why IEPE’s working papers were monographs of firms observed in disruptive historical periods for their future, in which the meaning of the firm for the actors was at stake. See for example Salais (1994) for the publication of some of these monographs.

I believe, IDHE (“Institutions et dynamiques historiques de l’économie”) is pursuing this project, linking – since its creation in 1997 – the members of IEPE with economic historians and sociologists of the Parisian region. Its denomination is a program in itself because it means taking institutions, especially law and money, as categories for the actors. It aims at identifying the plurality of the economic trajectories of firms, territories and economic conventions (especially labor conventions and financial conventions), drawn by the social and economic actors.

RDB: Please introduce your current work in this transdisciplinary research organization of IDHE. And what are your interests for future research?

CD: My researches have addressed two main issues in the last years: First the development of European institutions on the field of industrial relations and social Law. This socio-historical analysis focused on the "European Social Dialogue" launched by Jacques Delors in 1985, that paralleled the identification of a "Single Market" based on the interpenetration of the national economies (Didry/Mias 2005; Didry 2009). Here again, the production of social rules at the European level is at stake – such as the 1994 directive on European work councils and the 1999 directive on fixed term contracts. Second firm's restructuring. We focused on the way economic and social actors mobilized legal rules and procedures, with a special interest for the action of works councils and unions in the discussion of the management projects. This leads us to analyze situations in which "labor conventions" were put in question and made explicit by the actors, in order to find compromises between the parties.

My main project is now to deepen the research on the relation between law and work, in order to see how labor law – in the French case – with a "Code du travail" adopted in 1910, leads the actors to the identification of a special sphere of activity called "work". My intuition is that (as the category of unemployment) work is not simply given with capitalism, but has been progressively "discovered" by actors initially anchored in domestic activities. It has to be seen together with the "discovery of work" as it was the case for the Algerian uprooted peasants identified by Pierre Bourdieu and Abdelmalek Sayad, in their sociology of war time Algeria (Bourdieu/Sayad 1964). It also means that work in a capitalist society is not reducible to the discipline imposed by the employer to the worker, but implies a commitment of the worker in the collectivity he discovers through his work. One conclusion for today could be that work, though less visible at the macro level, is a growing preoccupation of the individuals in their life.

Endnotes

¹See for the working papers of IEPE <http://www.idhe.cnrs.fr/spip.php?rubrique121>.

²This interview continues the series of interviews in this newsletter with representatives of this French approach. See the interviews with Laurent Thévenot (2004, 2006), Robert Salais (2008), Olivier Favereau (2012) and Christian Bessy (this issue).

³See the special issue *A la découverte du fait social* of the journal *Genèses Sciences Sociales et Histoire* (December 1990).

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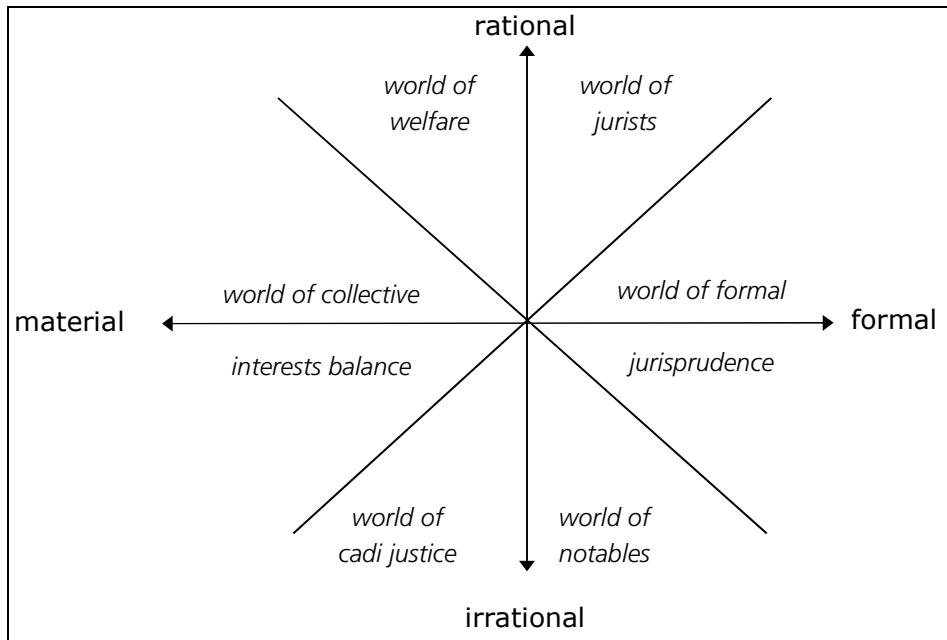
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Appendix

Graphic: Worlds of law



(Didry 2002:39)

Book Reviews

Book: Sandel, Michael, 2012: *What Money Can't Buy. The Moral Limits of Markets*. New York: Allen Lane.

Reviewer: Frederick F. Wherry, Columbia University, New York, NY, ffwherry@gmail.com.

Michael J. Sandel (MJS) has penned some stinging indictments of capitalism's corruption of moral life. Markets trespass the boundaries of fairness; they corrupt the civic, the good; they irreparably rend the objects, persons, and relationships placed at the mercy of their logic. MJS places markets on trial, charging them with violating the principles of fairness (thereby exacerbating inequality) and with corrupting the appropriate incentives, the collectively constructed institutions, and meaningful relationships that engender civil society. In five brief chapters, he presents the evidence, first on fairness: people paying, rather than waiting, for national citizenship, higher priority in a doctor's schedule of appointments, and public theater tickets that everyone else had to stand in a queue to obtain. He then attends to the corruption that occurs when adopted children are bid on, their value demeaned, or when the altruistic incentive to help those in need becomes polluted by market logics rendering charity and mutual aid as suboptimal practices. Even when market logics begin benign, he argues, they tend toward the malignant as the more powerful market values crowd out the nearly defenseless moral ones.

Let's begin with the book's structure. The introduction rapidly compiles vignettes of things that money should not be able to buy: prison cell amenities, access to the high occupancy vehicle lane during rush hour (while driving alone), a surrogate in a poor, far away country, national citizenship, and the right to pollute an environment shared with others who suffer the consequences. These vignettes demonstrate the triumph of the market's logic over other logics that once privileged the good of the whole over the predilections of the rich few. The book's first chapter, *Jumping the Queue*, continues the list of things that money should not buy, and it hones in on the fairness of the queue. This is one of the most compelling chapters in the book because standing in a line or monitoring one's place on a waiting list can evoke easily accessible understandings of fairness widely shared in many societies. The second chapter, *Incentives*, however, distinguishes fines from fees

to emphasize how the violation of the fairness principles opens the door to morally corrupt (and morally corrupting) judgments. MJS introduces his readers to the ideas of Gary Becker's 1976 book *The Economic Approach to Human Behavior* to demonstrate how the discipline of economics has tried to evacuate the moral and the social from the scientific study of behavior. It is this attempt to a-moralize human behavior that animates the remainder of the book. Chapter 3, for example, uses the symbolic logic of gifts to warn against the corrosive effects of gift cards, the deleterious monetary incentives for blood and organ transfers, and the consequential mismatch between civic duty and monetary payments, especially when asking communities to accept a sacrifice (such as a nuclear waste site) for the good of the country as a whole. The chapter's title *How Money Crowds Out Morals* reflects the author's decision not to dwell too long on instances where morals crowd out, modify, or overturn people's understandings of money and of markets. The *Markets in Life and Death* (Chapter 4) exposes objectionable monetary practices that defile sacred events, spoil good deaths, and inappropriately value vulnerable lives. Walmart should not take out life insurance policies on their workers whose deaths bring a monetary benefit to the company while leaving the families of the deceased empty handed, for example. In the final chapter *Naming Rights*, the author bemoans the proliferation of skyboxes, arenas, and university buildings named to honor the wealthy rather than the wise. Human bodies have become billboards; and classrooms have become sites for marketing rather than spaces of learning. With *What Money Can't Buy*, MJS amplifies the work of a large and growing group of scholars concerned with the commodification of childhood, intimacy, religion, education, culture, and the other dimensions of social life. Such sociological treatments as Arlie Hochschild's *The Outsourced Self* (2012), Juliet Schor's *Born to Buy* (2005), and Dan Cook's *The Commodification of Childhood* (2004) would bolster MJS's docket of incidents where the market has corrupted childhood along with family and community life.

The book's arguments would be as compelling as they are accessible were it not for the author's choice of intellectual interlocutor and his avoidance of most economists and economic sociologists whose empirical findings contradict his own. MJS chooses Gary Becker as his primary economic interlocutor. Becker does what MJS cautions against: he

imposes the profit-maximizing logics of economics into previously off-limits spheres of social life. Everything can be priced, commodified, and sold. MJS's focus on Becker crowds out the works of other economists who recognize how identities and the moral codes undergirding them can trump out market principles. One wonders how Sandel's analysis would have differed had he chosen George A. Akerlof and Rachel Kranton's *Identity Economics* (2011) alongside Becker's work. Social identity, norms, and societal categorizations provide motivations and constraints that standard economic theories have too long neglected, Akerlof and Kranton argue. People internalize shared understandings about what is right and what is unthinkable (immoral), given who the person is (identity). These internalized understandings mark some actions as unfair, though economically efficient, and some levels of unfairness impose too high a cost for the self-image of the actor.

Just as MJS evades Akerlof and other like-minded economists, he nearly excludes economic sociologists writing about the moral dimensions of viatical (life) insurance, organ donation, and prostitution. I will now turn to these studies so that we can make a more informed assessment of MJS's claims. Sandel expresses moral revulsion at the viatical insurance market: When a person suffering from AIDS is the insured person, she is by definition a viator. Upon her death, a stranger who has bet on how long it will take for the viator to expire, will reap large financial rewards, especially if the expiration date comes sooner rather than later. Sociologist Sarah Quinn notes that sacred revulsion is expressed among "people far outside the industry (such as Sandel [1998], an academic) or on its fringe (such as the daughter of an investor who saw a deal go bad [Weston 2002]). People working within or close to the industry instead are more likely to [...draw] ambivalent, neutral, or positive conclusion[s]" (Quinn 2008; 758-759). By contrast, some people believe that viatical insurance enables a dignified death. The dying can experience the remaining months of their lives with "financial security and dignity" (Ibid., 761), while the insurers can feel the gratification of helping a stranger. Quinn's conclusions build on the work of Viviana Zelizer (1983, 2011) who emphasized that the rituals of and beliefs about "the good death" enabled the life insurance market to expand dramatically during a period of time when its viability was in question. Likewise, Quinn argues that rationalized reconciliations of morals with markets occur when viatical insurance policies are believed to be purchased at a fair price rather than as an exploitation of the terminally ill. In other words, it is not the viatical insurance itself that is morally objectionable but

the absence of fairness, dignity, and respect shown to the insured and their families. Pricing life does not evoke moral revulsion on its own or in whatever way that the anti-price-makers please.

The intertwining of markets and social life result in fundamentally transformed contractual exchanges. It is not only that markets transform norms but also that norms and narrative tropes transform transactions. Kieran Healy and Kimberly D. Krawiec (2012) illustrate these multi-directional transformations in their study of a new form of organ exchange (the nonsimultaneous, extended, altruistic donor [NEAD] chain). Rather than examine a case where organ transactions seems to be a pure form of gift exchange (altruistic donors) or a pure form of market exchange (contractual exchanges among strangers), Healy and Krawiec examine how the practical logistics of kidney exchange are hindered or facilitated by the donor's perception of the transplant as an altruistic gift versus a market exchange with enforceable contractual obligations. The chain links up something like this.

Consider two patients in need of kidney transplants, each of whom has found a living donor (a spouse, perhaps, or another relative, or a friend). Within each patient-donor dyad, the donor's kidney is incompatible with the patient's immune system – yet it is suitable for the patient in the other pair. There are thus two donor-patient pairs, each incompatible internally but compatible with their counterparts. The obvious solution is a straightforward, simultaneous swap of kidneys between the two dyads.... A NEAD chain converts the simultaneous, cyclical exchange of kidneys amongst two or more donor pairs into a chain of donations and transplants. [Healy/Krawiec 2012, 107-108]

In the NEAD-chain exchange, both logics operate at different moments in the chain and without discrete endings. The trope of "the gift of life" facilitates recruitment, moral commitment and practical compliance (Healy/Krawiec 2012:10). The mixing of the altruistic with the contractual is deliberate, and it is the symbolic work of the mixing that enables the exchange to proceed. Indeed, contracts themselves may enable NEAD chains to expand the number of participants, *but these contracts work not because they are legally enforceable* (they are not, really), but rather because they serve as a symbol of credible commitment. Commitments are performed for relevant audience through the cultural work of taking contracts and market processes as part of a "life giving" ritual.

Giving life becomes more complicated in the case of conception. Rene Almeling (2011) finds that women who donate their eggs to fertility clinics for payment rely on a similar narrative of gifting life. The exchange of 1) contractually specified monies, 2) non-contractually required gifts, and 3) the designation by the egg donors of how their "earnings" will be appropriately spent to honor the life they have given, all embed, motivate, and buoy the exchange. Her work does not extend to the marketplaces where the autonomy of the donor may be compromised and where choice is born from extreme necessity; however, one can speculate that the morally contested market for eggs from extremely poor donors may generate informal constraints on the exchange as different actors become motivated to repair a moral breach and to address the conditions that enabled exploitation in the first instance.

Finally, a word on prostitution (and other sales of intimacy) is in order. Commercial sex work sometimes represents a clear case of markets going too far. A vulnerable individual who does not feel that she has other viable options may channel her affection and love into packaged services to be bid on and purchased, consequently leaving her body spent. These may (or may not) be morally reprehensible exchanges, but they are not the only types of exchanges in the market for intimacy. Clear-eyed and evidence-equipped, Viviana Zelizer explains the wide variations in persons, relationships, monies, and other media of exchange that are consequential to these purchases of intimacy (Zelizer 1994, 2005, 2010, 2011). From her studies of morals and markets (e.g., her work on life insurance, wrongful death legal settlements, the intermingling of money with intimacy, and the restrictions placed categorizing and using money) we can conclude that there are some things that money cannot buy, but we should make these conclusions *only after* carefully examining the variations in relationship types, the institutional contexts generating incentives, and the incessant struggles people engage in to define the principles of fairness and to respond appropriately to morally corrupting moves in the marketplace.

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- Book:** Boswell, Christina, 2009: *The Political Uses of Expert Knowledge: Immigration Policy and Social Research*. Cambridge; New York: Cambridge University Press.
- Reviewer:** Ronen Mandelkern, The Van Leer Jerusalem Institute, Jerusalem, ronen.mandelkern@mail.huji.ac.il

What role does expert knowledge play in policymaking processes and what can we learn from the seemingly growing eagerness of decision-makers to inform policymaking with professional knowledge? The elementary answer would be that expert knowledge enables policy improvement as it fills in decision-makers' knowledge gaps. Boswell's main argument is that such "instrumental" utilization of expert knowledge is significantly overestimated. No less important, and in some contexts even more, is the fact that the reliance on expert knowledge serves as a "symbolic" resource of legitimacy. Theoretically building on sociological institutionalism literature, her starting point is that government institutes, like other organizations, need to secure and enhance their organizational position and status. As such they are very likely to use their deployment of expert knowledge as a means to boost their long-term organizational standing, as well as for substanti-

ating – i.e. backing – a specific stance they have on a certain policy issue. Boswell empirically examines and validates this set of arguments by studying the role governmental research units have been playing in immigration policymaking processes in Germany, the United Kingdom and the European Union in recent years.

Both the theoretical and empirical sections are impressively thorough and well informed. In the theoretical sections, which make up half of the book, Boswell offers a wide array of hypotheses regarding the influence of various factors on the actual role – symbolic or instrumental – that expert knowledge plays. For example, she suggests that “political” organizations, which (unlike “action” organizations) are not judged based on their output but rather on their internal procedures and norms, are more likely to rely on expert knowledge as a symbolic resource. The theoretical discussion includes additional hypotheses regarding the impact of other organizational characteristics on how expert knowledge is likely to be utilized, as well as on the expected impact of the environment in which an organization is located and the features of the policy area and policy discourse. Despite this rather wide array of factors taken into account, Boswell manages to translate the theoretical discussion into an applicable research design with some clear and concrete methodological guidelines that make empirical study of these hypotheses possible.

Boswell discusses the study’s limitations in various places throughout the book. The most prominent among them, in my view, is the fact that, when compared to the theoretical framework, the empirical study’s range is rather narrow. Empirically, the book focuses on one policy area and, more importantly, on one channel, surely important in itself, through which expert knowledge is integrated into policymaking processes. Thus, the detailed and context-sensitive empirical study strongly confirms Boswell’s arguments, but mainly with regard to the political role of governmental research institutes. I am not sure (and neither is Boswell, pp. 219–220) if we can deduce from it other possible channels through which expert knowledge may play a role in policymaking, such as academics having direct advisory roles in regard to top decision-makers or the involvement of non-governmental research institutes such as think-tanks. However, it is important to note that this limitation does not undermine the book’s theoretical framework but should rather inspire its further application to additional cases.

Nevertheless, one matter I did find to be missing, especially in the theoretical analysis, concerns the role of the experts whose knowledge is being utilized as active agents. Clearly, it would be wrong to assume these experts have something close to full control over how they and their knowledge are exploited by decision-makers. But I also doubt the opposite possibility, namely that these experts are powerless and passive actors with no significant influence in this vein. Thus, the possibility of interaction between experts and decision-makers should be integrated into the existing theoretical framework, and here the studies of Babb (2001) and Fourcade (2001; 2009) on the development of members of the economic profession as influential communities of experts have some useful insights.

Another question refers to the possible longer-term dynamics of experts’ involvement in policymaking. Let us assume that expert knowledge does indeed initially serve as merely a symbolic resource with no influence over how policy is actually shaped; might it be that even in such a case the mere involvement of experts in policymaking process would gradually lead to their increased influence on the policies themselves? Boswell mentions that the degree to which a policy discourse is “technocratic” influences the way in which research is utilized, yet she does not highlight the possible impact the utilization of expert knowledge may have on the policy discourse. Future studies could gain much by integrating into the analytical framework the potential impact of some of the mechanisms discussed in the historical institutionalism literature, such as path dependence and unintended consequences. For instance, the reliance on expert knowledge as a symbolic resource must be concealed in order to be effective, as Boswell herself mentions (pp. 248–249). Could this be a source of unintended consequences, in the sense that decision-makers will have to “take seriously” expert knowledge when shaping policy even when it was originally meant to serve only as a symbolic resource?

In sum, this is a book of obvious interest to those researching European immigration policy in recent years but, more than that, it is an important and useful book for researchers from various disciplines interested in the role of knowledge and expertise in policymaking and in wider social and political contexts. It is an excellent point of departure for the study of this topic.

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Book: Caroline Dahlberg, 2010: *Picturing the Public. Advertising Self-Regulation in Sweden and the UK*. Stockholm: Acta Universitatis Stockholmiensis. 258 p. (Stockholm studies in sociology, N.S.; No. 48)

Reviewer: Julia Hildermeier, Ecole Normale Supérieure, Cachan and Humboldt-Universität Berlin, Julia.Hildermeier@ens-cachan.fr

Imagine, taking your children to school every morning, you come across an advertising poster showing a group of half naked women in a dressing room around a man lying on a couch. You don't know how to explain to your young one, why everyone seems excited, except for the man rather comfortably talking on the phone. Imagine, your kids do not know that this picture shows famous tennis star Björn Borg in younger years, and you do not consider this picture an humorous exaggeration of his celebrity, advertising underwear of his own clothing brand. At least, this is the official message advertisers claimed to have put forward when this image was discussed and judged offensive by the Swedish Advertising Regulation Board. So what then would you complain about, and who would you complain to, and on which criteria would you argue?

Based on these questions, Caroline Dahlberg analyzes this and other conflicts on advertisements in her PhD thesis „Picturing the public. Advertising self-regulation in Sweden and the UK“ (2010). Based on selected cases of viewers' complaints in both countries over the last decade she analyzes offences related to gender and violence as situations of moral conflict between advertisers (industry, the agencies) and their public. The aim of this in-depth case study, based on interview material, images as well as ruling documentation, is two-fold. First, the author wants to deliver a detailed reconstruction of how advertising self-regulation works (differently) in Sweden and the UK. Advertising self-regulation [ASR] organizations are industry-financed bodies

designed to solve conflicts on advertisement by discussing viewers' various complaints on offence or misleadingness of certain images. As intermediate agents, their difficult and sensitive task is to judge on whether they are acceptable or not, based on ethical codes formulated by industry, at the one hand, and by state law, on the other. ASR thus deals with conflict in a situation of evaluative uncertainty. This is where the second and main objective of this book is anchored.

Based on an extensive review of a convention theoretical framework based on Luc Boltanski's and Laurent Thévenot's six orders of worth (2006) preceding her own case study, Dahlberg offers a comprehensive analysis of how different modes of evaluation interact and merge when the offensiveness of advertisements is discussed. Looking at “conventions at work” in these specific cultural, national, sectoral and moral contexts, her study offers a detailed insight on how an apparent conflict of interests can be unveiled as a conflict of „worths“ through a micro-sociological perspective, in which different decision outcomes („acceptable“ or „offensive“) are linked to negotiations between different orders of worth, i.e. which judgment the UK and Swedish boards consider more credible. In the above cited example, regulators found that the tennis player's fame could not be taken for granted and consequently the advertiser's message on celebrity, invoking the world of fame, would not be recognized. As a consequence, Borg's image was ruled offensive as it violated civic and domestic worlds of worth by displaying a man acting in a “derogatory way towards the women” (Dahlberg 2010: 136). Dahlberg's cases illustrate why which conventions are at work when judging advertisements, but also what happens if different conventions clash on these judgements. In a context where objectivity is by definition absent, this is a very well chosen case to apply convention theory as reflexive evaluation potential in an influential economic and cultural sector. Beginning with this industrial context, I will critically appreciate this book's empirical and theoretical research aims in the following sections.

Cultural sociology of advertisement or moral conflicts in a market for attention?

In order to illustrate moral conflict solutions Dahlberg chooses an industry in which actors following their business model constantly seek new ways of drawing their public's attention to advertised products. Competing for innovative ways to influence consumers' buying decisions, they often aim precisely on the limits of moral acceptabil-

ity. In addition, the non-broadcast advertisements in the focus of this study are destined for, but not limited to specific target groups, as they are publicly available in daily life on walls, in magazines or public transport. As the industry works in this “grey zone” of acceptability with little control of distribution, the role of ASR bodies as regulating institutions is double: while they „protect” viewers from morally offensive claims and visual material in a more or less strict way, self-regulation bodies are also created by industry to protect its „freedom of expression” through the use of soft law, preventing harder regulation. This basic configuration of interests is a very important empirical condition in Dahlberg's comparative analysis of how ASR's work in the UK and Sweden, which she, however, discusses only in exemplary terms. But the fact that ASR organizations are no neutral actors or platforms since they are influenced by the industry's imperatives to gain market share, and by the way advertising agencies seek to seduce consumers appealing to fame, familiarity or newness, adds an important factor to the conflicts under study.

This would have required taking into account that markets as a context to study conventions are necessarily configurations of interests and power. As Boltanski and Thévenot themselves insist, evaluative regimes have evolved historically and may further transform in different economic contexts. This basic claim of historicity is also valid for any criticism of conventions, as Boltanski and Chiapello illustrate with their work on the “new spirit of capitalism” (1999). This matters not only with regard to the sector, but also to the countries under study. In fact, Dahlberg points out that the UK and Sweden deal very differently with advertising self-regulation, as British policy is better financed and appears more industry-dominated through interest representation in the decision-making bodies. In consequence, its role is rather reactive judging of existing evaluation standards that include cultural specificities such as “British Humour” that might be ruled offensive outside the UK. The smaller Swedish ASR body, as Dahlberg describes, is specialized on gender questions and considers its work in a more proactive sense to act for equality. However, it is less stable in finance and organizational structure and its „voice” depends on media attention. These very important socio-economic factors such as national ethical standards of cultural policy, and organizational factors of how industrial self-regulation is designed, would have merited a place in her explanation. The same is true for the structure of the advertising industry at the macro-level: Some important context information on where the current challenges and political conflicts are, and who dominant

actors are, would have provided explanatory material for the outcome of moral conflicts, and maybe even different explanations of ASR organization's behavior.

Inversely, the underexplored link to macro-level factors such as cultural politics and markets would have allowed Dahlberg to interpret her findings in this larger context. What roles to moral conflicts on the micro-level play for the larger industrial structure? How important are self-regulation and complaints for the future of industries, and our daily consumption of advertisement? As the detailed empirical work does not include how evaluation regimes are placed in national and cultural contexts, the comparison on country level lacks some justification itself. If Sweden and the UK are „different, but not too different” as country contexts (89), what does this mean for Dahlberg's very interesting findings, for example that Swedish rulings are more often inspired by civic argumentation than UK's rather fame oriented conflict solutions? Just as it is convincing to analyze moral conflicts based on six evaluative regimes, the micro-sociological focus constrains the author to a slightly too descriptive interpretation of conflicts, to which a systematic contextualization in the Swedish vs. British industrial, market and ideological context could have added much explanatory power. Instead, Dahlberg chooses a theoretical focus on compromises between different logics of complaints in advertisement, and a thematic gender-focus not included in many convention-theory based studies. Both choices, I argue in the following section, are nevertheless interesting contributions to a convention theoretical perspective.

How to theorize convention compromises and judgments on gender

Introducing a meta-analysis of conflicts between conventions at work in each offensiveness case, Dahlberg argues based on Thévenot (2001) that there are “actors” and “interpreters”, who frame actors' roles in the light of a specific order of worth. If advertisers argue based on Björn Borg's fame, and complainants argue on domestic and civic values of decency and equality, these evaluation criteria meet and produce compromises resulting from one actor's reading of the other's judgment. Complexity increases here because it provides different possible judgment outcomes, among which a third party (the ASR body in this case) chooses by the most „convincing”. Although it remains to further analysis how then third parties interfere as actors in conflicts, analytically, this is an interesting way to explain the different judgments from case to case, and

Dahlberg convincingly manages to deal with differing outcomes, while remaining within the same theoretical framework. As her intention is to contribute to the question of „how people take into consideration different types of evaluations, being able to combine them and not just aligning with them as if physically traveling between spheres or fields“ (36f), her conceptual contribution is even more thorough as it is derived empirically.

But here, also, the analysis would merit a discussion of how to deal with the interestedness of actors, and it would have been worthwhile to add existing conventional theoretical literature, starting from Eymard-Duvernay's and Marchal's study of recruitment processes addressing the question of conflicting evaluation settings (Eymard-Duvernay/Marchal 1997), and to discuss whether there can be new orders of worth, as Laurent Thévenot, Michael Moody and Claudette Lafaye have done for example with regard to environmental conflicts (Thévenot/Moody/Lafaye 2000). If the exclusive use of six orders of worth necessarily limits the thesis' scope of explanation, it consequently also narrows down the scope of evaluation compromises.

This is even more important as it would be a way to analytically incorporate Dahlberg's second inspiring contribution, i.e. bringing in gender-criticism through the lens of moral conflicts. As inconsistent regulation sometimes bans, sometimes authorizes H&M underwear campaigns showing lightly dressed female models, and all the more as Swedish as SRO is specialized on gender issues, Dahlberg's focus on gender is very much justified empirically. The real question she seems to address is: „What is it that makes some gender images acceptable and some not?“ (207) The study suggests a link to interpreting traditional gender stereotypes as parts of a „domestic world of worth“ with traditional role models, while the civic world of worth contains arguments for gender equality. These interesting hypotheses need to be explored more systematically. Does criticism on gender-related offence – according to her empirical findings – represent a compromise between different conventions? Or, if an answer to Dahlberg's puzzle can be found within conflicting orders of worth and not within cultural contexts, is it because gender has not (yet) become a mode of evaluation on its own?

In sum, much of the potential of this original PhD lies in the question if this is a contribution to cultural sociology of advertisement or a study of conflicting conventions in a market context. If the latter one is addressed, cultural approaches to market sociology offers a range of literature to

describe the institutional consequences from the making of meaning in economic contexts (see Viviana Zelizer's work on insurance companies 1983, Marion Fourcade's recent study on the commodification of nature, 2011). This would mean to centrally include the assumption that the message of every ad image, of course, depends on the product or service mediated, the target group's features and the techniques used to present it. If the former is addressed, comparative cultural sociology (e.g. Lamont/Thévenot 2000) provides a basis for identifying cultural factors as explanatory factors. As a detailed contribution to the empirical applications of convention theory, this study could go further in theorizing its empirical findings, as Dahlberg suggests when reflecting upon the use of images as „texts“ in her collection of data material, or on emerging compromises between conventions. Methodologically, this study shows that the empirical application of convention theory beyond its „native“ French context and cases needs a systematic reflection and merits further research. To this perspective, Dahlberg's book is an insightful, comprehensive and worthwhile contribution.

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Book: Cheris Shun-Ching Chan, 2012: *Marketing Death. Culture and the Making of a Life Insurance Market in China*. Oxford University Press.

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Inquiries into the relationship between moral values and the economy have been at the center of research in economic sociology for the last three decades. One of the most important milestones in this field is Zelizer's study (1979) on the emergence of the life insurance market in the United States during the 19th century. Zelizer argues that life insurance was initially rejected because it was seen as the merchandizing of life and became established as a commodity only after its meaning had been culturally reinterpreted in the latter part of the 19th century. According to her, the emergence of the life insurance market in the United States was mainly a result of changing cultural responses to the idea of evaluating human life in monetary terms.

Similarly, Chan's book on "Marketing Death" explores how and why the Chinese life insurance business reemerged in the 1990s despite the presence of strong cultural barriers. In contrast to Zelizer's study, her analysis focuses on the recent transition of the life insurance business from a monopolistic industry to a dynamic and international market. Chan accounts for this profound transformation on the one hand by pointing to various economic, institutional, and cultural changes that increased people's receptivity to life insurance. On the other hand, she links the rapid growth of the life insurance market since the mid-1990s to strategic modifications in entrepreneurial activities. According to her, the life insurance business prospered among other things because sales agents adapted their marketing strategies to the local cultural knowledge, symbols, and practices which allowed them to circumvent those cultural barriers that had prohibited market development in the past. Chang concludes from her findings that culture mattered in two ways for the reemergence of the Chinese life insurance market: first as a set of shared values and ideas that composed the resistance to life insurance; second as a practical toolkit used by entrepreneurs to circumvent this resistance allowing them to frame life insurance into a locally sensible entity.

The book is divided into six chapters, each of them dealing with a different aspect of the Chinese life insurance market. The first chapter is dedicated to the history of life

insurance in China and the economic, institutional, and cultural characteristics of this particular market. Chan discusses various socio-economic developments, such as rising purchasing power, increasing job insecurity, eroding state provision of welfare, and the decline of traditional mutual help systems as well as different cultural factors that were congenial to life insurance. However, she also points to serious cultural obstacles such as the taboo against thinking and talking about death that remained unfavorable to the emergence of the life insurance market. Drawing on these considerations, she derives several hypotheses about how culture might have mattered in the Chinese case, claiming that existing concepts of culture are unable to explain its specific trajectory.

In the second and third chapter, Chan analyses in detail the disparities in organizational strategies of life insurance companies. She starts by examining the strategic differences between transnational and domestic firms. The former defined life insurance as a form of modern risk management, which diverged sharply to local ideas and beliefs. The latter, in contrast, presented life insurance to their customers as a money management strategy and launched products for savings and investment purposes. While transnational insurance companies tried to change buyer demand in order to make profits, domestic firms deviated from the conventional business model by accommodating local preferences. Chang concludes that this pattern of strategic disparity was a result of firms' different market positions and their specific historical legacy. Following up on these findings, she analyses the labor-management techniques that insurers employed in order to produce a productive sales force. By comparing four large Chinese companies, she finds remarkable differences in management practices, occupational culture, and training focus. Chang attributes these variations on how firms operate mainly to differences in top executives' cultural and occupational backgrounds.

The fourth and fifth chapters of her book are dedicated to the actual market exchange between buyers and sellers. At first, Chan addresses the question of how sales agents prompt people to buy life insurance. She shows that sales agents' selling strategies usually capitalize on local practices of interpersonal relationships and interpersonal obligations allowing them to circumvent the cultural taboo of premature death. Following up on this, Chan examines the multiple motives and preferences of life insurance clients. She finds that Chinese buyers display a large variety of motives, but commonly define life insurance as a strategy

for money management rather than a form of risk management. However, she also observes that this common perception has changed in recent years. While clients bought life insurance products in the past to observe cultural norms of interpersonal reciprocity, saving and investing has become more important since the mid-1990s. After the millennium, even profit making and managing risk became more common motives, alongside savings. Chang attributes this development to changes in institutional demands that influenced individuals' motivation for buying life insurance.

In the sixth chapter, Chan presents her theoretical argument and proposes a general model of how new cultural practices are adopted by market actors. According to her, it was the interaction of culture as a set of shared ideas and culture as a practical toolkit which allowed the Chinese life insurance market to emerge. Moreover, she draws generalizations by comparing the life insurance markets in Hong Kong and Taiwan. She concludes her study by speculating about possible future directions of market development.

In general, Chan's study is a fascinating piece of sociological work that is eminently readable. Drawing on expert interviews and extensive ethnographic fieldwork, she presents the first sociological analysis of the forming of a life insurance market outside of a European or American context and addresses well the empirical gap left by existing research. From a theoretical perspective, however, Chan's study is most useful as a demonstration that cultural barriers do not necessarily need to be removed through cultural reorientation before a market can emerge, but might be strategically circumvented by entrepreneurial activities. Moreover, the Chinese case strikingly points to the cultural and moral preconditions for the emergence of capitalist markets. Her study shows that researchers analyzing business institutions must also pay attention to the broader cultural context in which these institutions are enacted.

However, her study also has some minor shortcomings. While her main argument seems quite plausible to me, the structure of her book is not. Chan's study is evidently a story about market development, but fails to put the trajectory of the Chinese life insurance business at the center of attention. Most of her work examines the specific characteristics of the market while giving considerably less space to the actual transformation of the Chinese life insurance business. It seems that this imbalance is a direct result of her methodological approach, which included

large periods of field research that were used to gather data on market structure. Considering the aim of her study, it would probably have been better to put stronger emphasis on data sources that generate information about market development, allowing a more detailed and elaborate picture of her case. Theoretically, Chan's study is well-rooted in the "Morals and Markets" literature, but pays only little attention to existing works on market emergence. While she implicitly talks about various other mechanisms that can constitute markets, such as technical inventions, business diversification, and political entrepreneurship, these mechanisms are not reflected upon systematically for the Chinese case. Moreover, only little attention is given to the role of state regulation, especially its influence at different stages of market development. Despite these few shortcomings, her study is a very valuable piece of scholarly work that will surely find a readership among economic sociologists.

Book: Münnich, Sascha (2010): *Interessen und Ideen. Die Entstehung der Arbeitslosenversicherung in Deutschland und den USA*. Frankfurt a.M.: Campus Verlag.

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Sociologist Sascha Münnich pursues both a theoretical and an explanatory aim in his thesis-based study about the origins of German and American unemployment insurance in the 1920s and 1930s.¹ The theoretical contribution is to provide a framework for more sufficient explanations of welfare state phenomena; the empirical goal is to apply this model to the specific insurance reform case. On the explanatory level, he wants to fill two gaps that have haunted research on the topic: What ultimately caused the three labor market actors – the state, employers' associations and labor unions – to be in favor of unemployment insurance? What was the implicitly shared consensus position that made them do so? These questions are notably addressed by the Swenson-Pierson-Hacker controversy about the role of employers in welfare reforms (cf. Swenson 2004), a controversy that Münnich aims to solve (p. 252ff). The main chapters 3 and 4 of the 400-page book give empirical answers to these questions, presented using a historic-sociological approach and based on a selection of historical sources ranging from interest group writings to Congressional hearings (cf. chapter 2). Before turning to the author's empirical findings, I will address his theoretical

objective, which is presented in the introduction and chapters 1 and 5.

Münnich's main theoretical finding is that it is impossible to derive good or sufficient (p.102) explanations of welfare reform solely from sets of beliefs and intentions inferred from environmental data and ascriptions of self-interest to the actors involved. For example, if one knows that wage increases are possible and assumes that it would be in the self-interest of the unions to pursue the interests of their members, one might infer that any union will demand higher wages in any situation, including a particular one under study. Of course, few scholars would claim that the hypothesis about good explanations really holds for all cases. But Münnich points out in the introduction that indeed several approaches, including economic theories of organizations or the Varieties of Capitalism–approach, reveal at least a tendency to give credence to such inferences which he finds problematic in at least two ways.

First, this tendency suffers from the fact that there will be historical exceptions to any generalization about social phenomena. When used to explain or predict singular facts, this explanatory framework might prove to be useless even in such contentious arenas as labor markets where one could presume interests to be stable. Second – and this is where the intricate interplay of *ideas and interests* comes in – there are two inferences that can turn out to be unreliable. The first – inferring from the environment what an actor's belief about that environment is – can obviously lead the researcher in the wrong direction. If she observes, for instance, a situation of a wage increase which the union perceives as wage stagnation, the observational data about the wage increase will not be a reliable inference base for determining what the union's belief is about. The second inference – ascribing an intention based on self-interest to the actor – is an equally unreliable inferential tool because one might describe one's interests, be they selfish or not, differently than an observer might describe them.

These inferential fallacies that Münnich carefully distills from existing literature in the social sciences might lead us to ask why people still cling to the above notion of good explanations. For one thing, we must concede that it still works in a good number of cases. To the extent that modern pressure groups arise and politics becomes an interest-bargaining game, it is a *safe* hypothesis to depart from. Or maybe it is only a *convenient* hypothesis to depart from because the environmental data needed often comes in

handy statistical form and, for the ascription of self-interest, common sense usually suffices. Deviant cases, however, require much more cumbersome data, such as information about actors' beliefs and their intentions as revealed in their statements.

Literature that focuses on discourses, scripts, or similar concepts goes a long way toward explaining social behavior and developments by referring to ideas in the sense of "belief about facts" or "belief about what is ethically right." Münnich's argument is not merely that "ideas matter," but rather that interests themselves depend on ideas. This hypothesis leads him to describe two types of influence. First of all, formulating interests presupposes ideas ("beliefs") in the sense that "wanting to introduce X" presupposes knowledge about what X is, about how it best serves one's interests, and so forth. Thus, a change in the belief regarding how unemployment insurance can best serve union interests can have an impact on the union's stance on introducing such insurance. Statements by an actor regarding its interests imply knowledge about things in the world as well as about the semantics used to formulate the interests. Secondly, deriving specific action imperatives from ideas ("ethical belief") requires certain deliberative efforts to mitigate between possibly diverging general statements and judgment capacities in order to apply the general to the particular.

Each of the author's two empirical narratives is structured along a cycle in which existing ideas' stability slowly erodes in the light of economic crisis, as learning experiences eat away at the ideas' legitimacy and new ideas gain widespread support. In the case of the German Empire, social reformers had proposed various systems of unemployment insurance. While they differed as to how they envisioned the financial burdens and administration rights being distributed among labor, employers and the state, they all failed to find proponents among the main labor market actors. Labor, remaining distrustful of endowing the capitalistic state with any power, clung to its self-administered relief funds. Employers shied away from being in any way responsible for unemployment in general, and they firmly opposed any reform proposals on the grounds that they would undermine incentives to work, make production more expensive than that of its competitors abroad, and attract even more people to overcrowded cities. The national government shifted the responsibility to regional governments – in general, the dominance of self-help and liberal-market ideas prevented any unemployment insurance proposals from gaining support.

Münnich identifies several factors, however, that stimulated a change towards more corporate, reformist ideas: the experience of cooperation in war production, the corporate organization of communal labor exchanges and the threat of political radicalization in a post-war Germany ridden with mass unemployment. When all of these factors came together in 1927, corporate, statutory, universal unemployment insurance was supported by labor, employers and the state as it promised to produce the common good of stable markets for qualified labor and to control the growing municipal expenses for the unemployed.

In the United States, the starting point for a genuine debate on unemployment insurance was the positive reaction of Isaac M. Rubinow and the Ohio School to the British national insurance inspired by William Beveridge in 1911. On the other hand, the Wisconsin School, represented by American institutionalist John R. Commons, proposed an employer-financed insurance institution that was supposed to avoid the overproduction and unemployment crises seen to be caused by short-term interests. As in the German case, however, these reformers' ideas did not lead to any legislative action. "To all three parties in the labor market, unemployment insurance appeared to be contrary to their interests: Employers considered it to be a dangerous interventionist scheme that would add to labor costs, unions thought of it as an authoritarian element that would undermine the independence of the American worker, and governments on all levels considered unemployment insurance as hampering economic growth and the fair competition between states" (p. 297, my translation). But in the 1920s, a slow paradigm shift occurred as employers gained experience with company welfare systems, as Commons' ideas spread through his school of reformers into administrative circles, and as a generational change exposed the American Federation of Labor to ideas about "industrial democracy." With public relief funds exploding in the 1930s, this paradigm shift caused the three labor market actors' views to coincide, which led to an unquestioned consensus that became the Social Security Act of 1935: employers were to be responsible for stable workforces, and the government for setting the right incentives for employers to stabilize markets without providing new forms of government relief.

Münnich succeeds in showing that it is the paradigm shift in the 1920s and not economic crises and ascribed preferences alone that make up good explanations of his two cases. Crises alone do not screen off the way actors react to them; ascribed preferences do not account for changing attitudes. What Münnich does have to concede is that actors' beliefs about economic conditions depend on what these conditions are. Beyond his emphasis on actors' beliefs as important causes to be cited in historical research, he also shows that the types of causes that merit consideration in historical explanations are historically distant ones, because they do not materialize in specific events and can be cited more easily in hindsight, not by the actors involved.

The study combines thoughts about how to enrich historical explanations with an intriguing comparative study of welfare state reforms and should therefore be read by anyone dissatisfied with the bias of interest-based explanations in the literature or a rigid dichotomies between interest- and idea-based explanations. This reviewer would have welcomed some more evidence showing how the abstract paradigm shift made its way into the formulation of new interest positions. Moments in which actors become convinced of a new paradigm within their lifespan and intraorganizational conflicts between proponents of the old and new paradigm do shine through in the analysis, but they could have been given more weight to show the influence of "ideas at work."

Endnotes

¹For first English publications based on the project see Münnich (2011).

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Ph.D. Projects in Economic Sociology

Making Moralized Markets. How Power and Discourse Shaped the Market for Organic Dairy Products.

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The major challenges of our time such as global climate change or human rights abuse are often traced back to economic globalisation and growing marketization. Yet, the dominant paradigm of "sustainability" explicitly praises salvation by market mechanisms. Markets are assumed to expedite the solution of environmental and social problems more target-oriented than regulatory initiatives. The creation of *moralized markets*, i.e. markets for which moral aspects are an explicit feature of production and consumption, is therefore strongly fostered by both political elites and sustainability evangelists (Stehr et al. 2006).

The crux of moralized markets is their inherent ambivalence. They have to cope with the tension between economic and moral expectations, i.e. two distinct sets of value at a time. As economic theory can integrate logics other than the economic one only by reducing them to a simplistic cost-benefit calculus, its explanatory power is negligible here. However, a more comprehensive understanding of moralized markets is desperately needed.

The PhD project presented here wants to challenge the issue of moralized markets from a broader, sociological perspective. Focussing on ecological markets as one prominent example of moralized markets, it aims at explaining their functionality and dynamics framed by the ambivalence described beforehand. To do so, two aspects are particularly emphasized: *Power and discourse*.

First, it is basically assumed that any market action requires a common definition of the goods to be traded. Only if a mutual understanding of the "ecological" product is at hand, can supply and demand interact. However, such an intersubjective definition is neither naturally given nor merely determined by technological innovation, but rather socially constructed: It is the result of discursive bargaining within the market.

The second component the argumentation builds on is the notion of power. The definition of "ecological" is considered to be both a tool for power and the outcome of a power struggle. It draws the borders between ecological and conventional markets and thus determines what is relevant for actors to establish leading market positions. On the other hand, market actors' capability to dominate discursive bargaining and push forward a definition suiting their interests, is dependant on their available resources, i.e. their relative power within the market.

The overall objective of research is thus to explain functionality and dynamics of moralized markets by referring to discursive bargaining and power relations while taking into account the specific ambivalence of these markets.

The *theoretical framework* is mainly based on Pierre Bourdieu's field-theoretical concepts (2008) but (re-)integrates elements of economics of convention (EC) (Boltanski/Thévenot 2006; Diaz-Bone/Salais 2012).

According to Bourdieu, the market is conceptualized as a field in which the most central rule, namely what is and what is not valuable, is fought over. With its pluralistic notion of capital and its focus on struggle, Bourdieu's theory can excellently seize the role of power. Further, the concept allows depicting the relation between economic and moral-symbolic values, i.e. the ambivalence of the market.

Bourdieu's field-theoretical approach is then complemented by EC. Boltanski and Thévenot offer a vast toolkit for understanding discursive bargaining on the level of distinctive arguments. Moreover, EC opens the perspective for reflexive strategies of market actors, which Bourdieu's notion of habitus does not include. The theoretical chapters of the thesis culminate in a detailed juxtaposition of Bourdieu's and EC's divergent concepts (e.g. habitus vs. reflexive capacities, orders of worth vs. plurality of capitals), explaining both the differences and potential for (re-)integration.

The theoretical approach is then applied to an empirical example, i.e. the German market for organic dairy products. The historical formation of this market, i.e. its dynamics from 1985 until today, are demonstrated in detail. The study focuses on the (sub-)field of organic dairies as the

central promoters of the market. Yet, various sub-chapters are dedicated to the analysis of other groups of actors such as retailers, farmers and consumers.

First, power resources of each actor are assessed by a set of variables relevant to the market. The underlying field structure is unravelled and illustrated by a multi correspondence analysis (Greenacre/Blasius 2006). Consistent with the theoretical considerations, the market is found to be polarized by two distinct logics. On the one hand, economic power and size mattered, on the other hand, a type of symbolic capital, summarized as ecological capital, was crucial for the success of a dairy.

As a second step, the process of discursive bargaining is deconstructed by methods of discourse analysis. Based on a collection of PR-documents and with the concept of conventions used as heuristic toolkit (Diaz-Bone 2009), the contributions of the distinct actors are scrutinized for the following questions: How are ecological dairy products defined? With what kind of justifications are these products qualified as superior? Discourse analysis shows how the definition has changed remarkably over the course of time. Some patterns of argumentation, notably those linked to industrial or market-oriented conventions, gained importance.

It is but the comprehensive field-analytical perspective, combining the findings of both power- and discourse analysis that allows for a profound interpretation of the questions at stake. The synopsis permits to explain the historical dynamics as resulting from the interaction of power positions and discursive strategies. Further, it is shown, how ambivalence is a major feature in this market. Successful actors first and foremost need to comply with economic requirements. But at the same time they need to invest consistently in the maintenance of their perceived moral integrity. Thus, when fostering moralized markets, more attention has to be paid to the definition of e.g. ecological, social, or sustainable products. The very definition and the struggle in which it is established have significant influence on whether a stable market develops and what actors can dominate it.

From a theoretical perspective, the study shows how the inherent problems of Bourdieu's field-theoretical approach (Swedberg 2011) can be overcome by reintegrating EC. Its effective application to market analysis is both possible and promising. From a market-sociological point of view, the study illustrates once more that markets cannot be reduced to the mere interaction of supply and demand, as

economic theories suggest (Fligstein/Dauter 2007; Beckert 2009). Instead the study offers a profound framework suitable to account for the effects of power and discourse and thus to explain functionality and dynamics of markets as social phenomena.

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Key words: market, field theory, discourse, power, conventions, sustainability

The individualization of the employment relation. A conventionalist analysis in the commercial retail banking in France and in the United Kingdom at the turn of the 21st Century.

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Current dynamics of individualization of the employment relation can be defined as a movement towards better importance given to the employee as individual in the employment relation, in terms of working organization as

such as pay. This “tropism” towards the individual level is neither predefined nor one-dimensional, and can be explained more by institutional evolutions taking place for decades – partly different in France and in the United Kingdom – and shows power struggles allowing some actors to structure individualization at the sectoral, multi-sectoral and organizational levels.

In this way, economics of convention seems more adapted than standard approaches in economics and allows us to analyze these institutional dynamics, especially the process of legitimization of individualization and of “investments in forms” (Thévenot 1986; Eymard-Duvernay 1986; Salais 1989) structuring them through cognitive categories and conventions. Indeed, standard approaches like the agency theory only focus on a functionalist three-part work when analyzing individualization: incitation, contribution and retribution. This is broadly linked with the hypothesis made by this approach about individuals seen as egoistic and opportunist homo-oeconomicus actors always looking for optimizing their utility for a specified level of information, which is supposed to be asymmetric between the participants. Moreover, individualization only appears for this approach as a means (or an input) to get economic or organizational performance (Belfield et al. 2007), ignoring areas such as cognition of actors – when interpreting contexts or concepts – and diversity of institutions, weakening the possibility to compare in an empirical perspective (mainly based on interviews) different principles of justification used by actors at the different levels (Bessy et al. 2001).

Moreover – in the standard approach perspective – individualization is seen as a way to reduce, even cancel, uncertainty in the employment relationship. This is a strong gap with more heterodox approaches like the economics of convention for which uncertainty is never totally cancelled for actors, whatever the level of development of “investments in forms”. Basing our analysis on the economics of convention allows us also to show that the individualization process is legitimated by values not only linked with economic performance but also with individual skills, the need of conciliating work and private life, or the question of justice as felt by actors (Eymard-Duvernay et al. 2006).

In concrete terms, individualization has been structured both in France and in the UK by dynamics such as disconnection between norms established at the macro or the sectoral levels, on one side, and at firm level, on the other

side. Thus, multi-employers level norms in pay or qualifications have been weakened, strengthening the firm level in its possibility to produce its own norms calibrating the employment relation (Gall 2008; Quevarec 2000).

Indeed, analyzing the retail banking sector shows us that individualization is mainly structured both in France and in the UK towards a productivity goal (more than towards skills or qualification recognitions for instance) especially due to standardization of both retail banking products and production processes permitted by a more developed technological configuration (software, interconnected computers, etc.) today than before. From these configurations of products and production, goals could have been set at the individual level and work could have been controlled more easily controlled on an individual basis, not only for commercial jobs but also for back-offices activities.

However, structures do not totally determine situated practices. Thus comparing current practices of individualization in four retail banks (two in each country) show differences, beginning with more formalized individualization in the British banks allowing practices to be more accepted there, both by management and trade unions. We explain that by the fact that individualization has more clear goals in the British banks (e.g. to remunerate individual performance) than in the two French banks we study, where its goal appears more as managerial means to strike against collectivism – notably in the pay and industrial relations areas. This dissymmetry between France and the UK is partly due to former implementations of individualizing practices in British banks, but also linked with the fact that French retail banking trade unions are more opposed than their British counterparts to such policies.

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The democratic firm: Workers cooperatives (Scop) and other forms of economic cooperation.

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The focus of this dissertation project is on democratic forms of enterprises, from both a theoretical and empirical (in a qualitative sense) standpoint (however, no strict separation is made between these two sides of the work).

The starting point of the theoretical perspective of the work is a critical discussion of neo-classical and neo-institutional contributions (in the field of economic theory) regarding labor-managed firms. The limits of this works are highlighted: the hypotheses they use tend to imprison them within a poor conception of labor-managed firms in particular and of firms in general. Indeed, neoclassical economists who tackled this question (Ward 1958; Vanek 1975, 1997; Meade 1972) merely reduce the originality of labor-managed firms to a specific objective function (the maximization of profit per worker instead of the maximization of profit for the capitalist firm). The firm, in these neo-classical models, remains a "black box": its behavior being formalized by a production function and an objective function.

In the 1970's Neo-institutional and transaction-cost economists started to bring the issue of the internal organization of firms into the mainstream research program, trying therefore to open that theoretical "black box". Most of these research works are devoted to the study of capitalist firms, yet some authors (Williamson 1985; Alchian/Demsetz 1972 and Dow 2003 are among the most noteworthy) took an

interest in alternative forms of economic organizations such as democratic firms or peer groups. These authors often led a comparative analysis usually trying to show that capitalist and hierarchical enterprises are more efficient than democracy-based economic organizations. These contributions may be criticized because of their rather simplistic conception of human behavior (individuals are opportunistic), which leads them to set down the problem of coordination within the firm strictly in terms of efficiency and control, leaving aside the political aspects of coordination.

Then, several theoretical elements are proposed in this PhD dissertation in order to "complexify" (Hirschman, 1986) the analysis of democratic firms, leading to a more comprehensive approach of those organizations. To do so, Albert Hirschman's (1970, 1986), Amartya Sen's (1977), and the French approach of economics of convention (Eymard-Duvernay 2004, 2006, 2008; Orléan 2004) contributions are used; political philosophy texts are mobilized as well (Berlin 1988; Dahl 1985). Such reasoning implies to take into account the complexity of human behavior as well as the reflexive capabilities of individuals (meta-preferences concept), which obviously affects the analysis of the firm. Complexifying the theoretical framework allows to describe the firm as a political space in which issues regarding justice, values and power are at stake. It is then suggested to characterize the democratic firm (from a theoretical standpoint) as a specific form of politic and economic organization which favors the expression of a collective reflexivity regarding goals, rules and values, that is, a firm in which individuals create together the institutional frame that supports their coordination.

This theoretical framework is used as a support for the more empirical (in a qualitative sense) part of the work, which relies mainly on case studies of French worker cooperatives (SCOP, which stands for cooperative and participative company) which are a priori firms organized on a democratic basis. Here, the goal is to describe quite meticulously the organization of work; the different modes of coordination and systems of interaction mobilized by actors in the course of production; the decision making processes and the distribution of power among actors during those processes; the mechanisms of individual and collective learning, trying to be particularly attentive to the political dimensions of those mechanisms (specially, the hypothesis is made that democracy and participation within the firm need to be learnt, they are not given ex-ante); and the modes of evaluating work and goods. It is also important not to forget about external constraints the firm may have

to face, whether they come from law, customers, suppliers, competitors, banks or other economic or institutional actors; this external constraints may strongly affect the internal organization of the firm, they must be taken into account in the case studies.

Several producer cooperatives were visited, however the investigation work focused primarily on one of them: Le Relais. That firm is an "integration enterprise" which operates in the field of textile recovery and recycling. This workers cooperative is quite original insofar as it tries to articulate a goal of social and professional integration of people who have gone through great hardship in the labor market with an internal organization based strongly on participative democracy principles.

In this part of the work it is shown that there are three main grammars of action operating in Le Relais (a grammar of action can be defined as a coherent set of rules, conventions, discourses and representations, which guides the action of social actors allowing the coordination of their actions towards a common good):

(1) A grammar of integration: its end is to allow a perennial professional and social integration of the firm members, whether they stay in Le Relais or leave the firm.

(2) A grammar of productive efficiency, which aims at ensuring the economic durability of the firm.

(3) A grammar of democracy, which aims at promoting an internal organization based on participative democracy.

There is obviously not enough room here to present detailed developments on these issues. Let's just notice that these three grammars are organized into a hierarchy: in most situations the grammars of integration and productive efficiency prevail over the grammar of democracy; these grammars may also be in tension or in conflict, actors must then arbitrate between them and look for compromises between the different principles guiding their action.

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The City from an Economic Perspective

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Urban sociology in Germany and the anglo-american realm has established a distinct canon of knowledge and approaches. These famous texts, ranging from Georg Simmel (1984; 1966), Max Weber (1922), Robert E. Park and Ernest Burgess (1925) to Hartmut Häußermann (1995), Helmuth Berking and Martina Löw (2005; 2008), Saskia Sassen (2001), and Janet Abu Lughod (1999), to a certain degree all deal with the economy in cities and of cities. Economy may be broached as an issue of socio-economic divisions and unequally distributed resources, as the trans-

lation of economic into political power, as a driving force behind local policy making and many more topics all within the scope of the city. It seems to be undesired to attend to the city and not deal with the topic of economy.

Economic sociology on the other hand has a rather ulterior take on the city. The city as marketplace is not uncommon in economic sociology, and not only because markets are embedded (Granovetter 1985). There is a noticeable background resonance of the city when researchers approach subjects such as the evolvement of electricity in the US (Granovetter/McGuire 1998). Researching a city always implies studying the economic circumstances. Economic sociology is not very explicit about its links to the city. But the relation exists: markets are historically a key element of cities in Europe, business headquarters usually reside in cities, even the idealtypical economic actor appears to be rather urban than rural. Not only within the global city discourse (Sassen 1996) do cities play an important role when thinking about economic action. When studying the financial sector, one is usually talking about congregations of businesses of a similar kind acting from New York and London. Studies on the automotive industry take place in Detroit, Stuttgart or Munich. Since most of the world's population resides and works in cities, the majority of market areas are also within urban contexts. These close ties between cities and markets have thus far not been scrutinized.

The French approach of economics of convention (EC) poses a viable bridge to link urban and economic sociology closer together. The intellectual roots are similar, they draw on Max Weber, Georg Simmel, Émile Durkheim, and to a certain extent Pierre Bourdieu. EC challenges the researcher to take a closer look on the micro-level, on interaction, on how the common day economic interaction is made up.

Instead of reducing the city to a mere background of economic action, the dissertation is aimed at how this new perspective of the EC can be utilized for urban sociology, how it can influence, and maybe change, the way the city is looked at. The driving question is: what can we learn about the city when we scrutinize it through the perspective of EC? The EC focuses on routines, on practices, on action and interaction, and tries to derive a common understanding of the situation and the action-guiding princi-

ples that are agreed upon. Not only does this revolutionize the way markets and economic interactions are viewed. By applying this perspective to the research of cities, it becomes possible to find the city's intrinsic logic within the micro-analysis of interaction between actors in cities.

The dissertation is written as part of the interdisciplinary project group "Intrinsic Logic of Cities" at Technische Universität Darmstadt, Germany. It is developed within the research project "Local Conventions in the hairdressing sector: Intrinsic Logic of Cities within Economic Practices" conducted by Martina Löw and Nina Baur. The close relation between empirical research in four different European cities (Frankfurt, Dortmund, Birmingham, and Glasgow) and the theoretical deliberation on the city and the economy poses an invaluable asset to this dissertation project.

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