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## Article

# Notes from the editors. Introduction: the state and the economy

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# Note from the editors

## Introduction: the state and the economy

Among the propositions the new economic sociology has formulated over the last four decades, only a few can reach a level of consensus as high as the one concerning the role of the state within western economies: far from being opposed to the economic sphere of life, as some traditions of thought might have put it in economics (Hayek, 1944) or political science (Lindblom, 1977), the role of the state appears to be decisive if one is to understand how markets evolve (Fligstein, 2001), how firms are shaped and change (Roy, 1997; Fligstein, 1990), and how professions consolidate or lose territory (Abbott, 1988). This consensus has opened research questions that this issue of the newsletter explores: how should “the state” be conceptualized? How can it be empirically grasped? What has been its role in different national settings?

The classical way to tackle these questions is by distinguishing between “strong” (France, Italy, Japan) and “weak” (United States, United Kingdom) states. Three articles of this issue challenge both the way these ideal-types are usually embodied and how they are conceptualized. *Monica Prasad* shows that while the American state has long been considered a paradigm of a weak state, a recent and converging stream of research demonstrates that it has been actually much more powerful and interventionist than it seemed. This is not to say, of course, that the American state has no specific features which need to be explained. Recalling the argument of her last book, Prasad (2012) delves into one of these specificities, the weakness of the welfare state. According to Prasad, the US state developed in this idiosyncratic way because it first developed as an agrarian state, and interventions driven by farmers of the South and Midwest finally undermined the development of a public welfare state.

The contribution of *Tommaso Pardi* also deals with an allegedly paradigmatic embodiment of a weak state, considered, what is more, at the very top of its neo-liberal tendencies: the British state in the early 1980s, under the reign of Margaret Thatcher. Here again, the picture Pardi offers of British state involvement in the economy is coun-

ter-intuitive. Far from being committed to the systematic dismantling of any form of industrial policy, the British state appears to play a key role in the reshaping of the British automotive industry. Following and discussing the framework of Neil Fligstein (2001), Pardi shows that the state interventionism in this case was motivated by a systematic defense of the interests of industry subcontractors, rather than by protectionism towards the main producer, British Leyland.

If “weak states” do not seem so weak on closer examination, the same qualification goes for allegedly “strong states”, such as France. Adopting a long-term perspective, *Pierre François and Claire Lemerrier*, focus on some of the most spectacular tools states can mobilize to interfere with the economy, nationalization and state-owned enterprise (SOEs). They show, first, that when placed in a systematic and longitudinal set of comparisons, the French case does not seem so unusual: SOEs are not so much typical of a country than they are of a period, that of post-World War II, where they occur in most of the Western economies. Second, placing French SOEs in the interlocking directorates network, they show that SOEs did not disrupt the network; on the contrary, they melted in mechanisms that existed long before they were created.

These three papers not only show that the classical historical embodiments of weak or strong states should be reconsidered, but also that the categories used to study the ways that states influence the economy can be rethought: for all three of them, the most relevant question may not be a quantitative one, about the “weight”, the “size” or the “strength” of the different states, but a qualitative interrogation, about the way the state intervenes and the tools it mobilizes. This shift is particularly well exemplified in the last two papers of the issue. Both of them present a way to reconsider the way state engages with markets. A classical way to address this question is to show how states are involved in the creation and in the dynamics of markets (Polanyi, 1944; Fligstein, 2001). The two papers here suggest looking at how the market can be considered as a tool for the implementation of public policies (François, 2007). Studying the public policy dealing with the use of

pesticide in French vineyards, *Ansaloni and Smith* show how state representatives are now convinced to implement strategic aspects of this policy (the training of actors) by market mechanisms. They also show that this choice has political consequences, in that relying on such mechanisms, in this specific case at least, means that giving up the ability to define “the public interest.”

Dealing with a completely different topic – the regulation of the market for medicines – *Etienne Nouguez* brings together two seemingly unrelated streams of research: the sociology of prices and value (Beckert and Musselin, 2013) and the analysis of government instruments (Hood, 1986; Lascoumes and Le Galès, 2004). Focusing on the role of the commission mandated with price fixing, he shows how its role includes that of a valuer, transferring into price form different principles of value related to public interest, but that it also acts as a planner, aiming to control the structure of health expenses through price mechanisms, and as a regulator, influencing more or less explicitly the strategies of pharmaceutical firms.

The interview with *Mark Mizruchi* shows how the question of the state can find its place in an intellectual path: retracing the many questions he has worked on over the last thirty years, Mark Mizruchi explains how the political dimensions of economic life sometimes appear in the forefront of his research questions while sometimes, without completely disappearing, fall much more in the shadow. This waxing and waning of state-related questions in an individual research agenda can be seen as symptomatic of the way economic sociology deals with them.

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