

The politics of conventions : beyond a microphysics of power?

Claude Didry
Centre Maurice Halbwachs
CNRS/Ecole Normale Supérieure
Conventions of power/Power of Conventions
Reutlingen 26 27th January 2017



Introduction

- ◆ Proposition of a subjective and temporary interpretation of the “Economie des Conventions” (EC)
- ◆ Starting point (Favereau) : uncertainty in the economic interactions in face of the general equilibrium mechanism
- ◆ Keynes’ General Theory as a radical critique of the economic orthodoxy based on the statement of a mass unemployment in Great Britain during the inter-war period
- ◆ But emergence of EC during the 1980s, a period of orthodoxy renewal in face of the difficulties encountered by the keynesian macro-policies

Question

- ◆ Is EC a more adequate way to analyse economic interactions at a micro-level, based on a new model of actor's rationality as in Boltanski and Thevenot's *On Justification* ?
- ◆ Was power temporarily evacuated to elaborate an adequate hierarchy in the economic interaction?

Hypothesis

- ◆ Power is at the core of EC, if you forget for a while Boltanski and Thévenot, and come back to the initial interrogations on statistics and statistical categories, from which emerged EC.
- ◆ For example, Desrosières

The relation between statistics and State

- ◆ These analyses led to the consideration of interactions involved in the statistical work
- ◆ It led also to the consideration of the coordination of the actors in the economic life

Hypothetical scheme of the statistical work

- ◆ INSEE's inquiry → actors' answers → INSEE treatment → quantitative data → Economic models → public results → actors' reception → INSEE's inquiry
- ◆ First result of the prehistory of EC : the denaturalisation of Economic Indicators as constructed data
- ◆ EC doesn't challenge econometric modelisation, it opens a new field of research : the coordination of actors based on "symbolic forms", ie statistical categories, juridical categories

Table 1 Statistical work

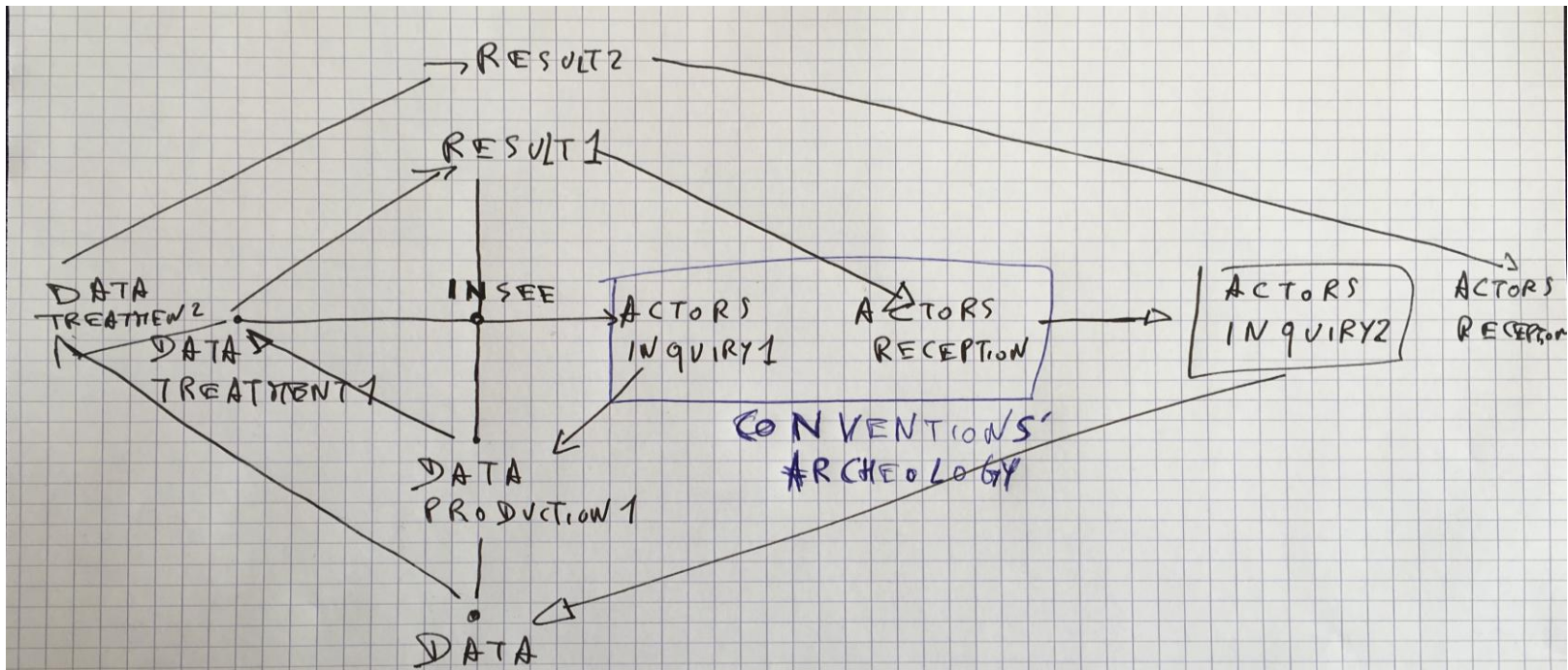
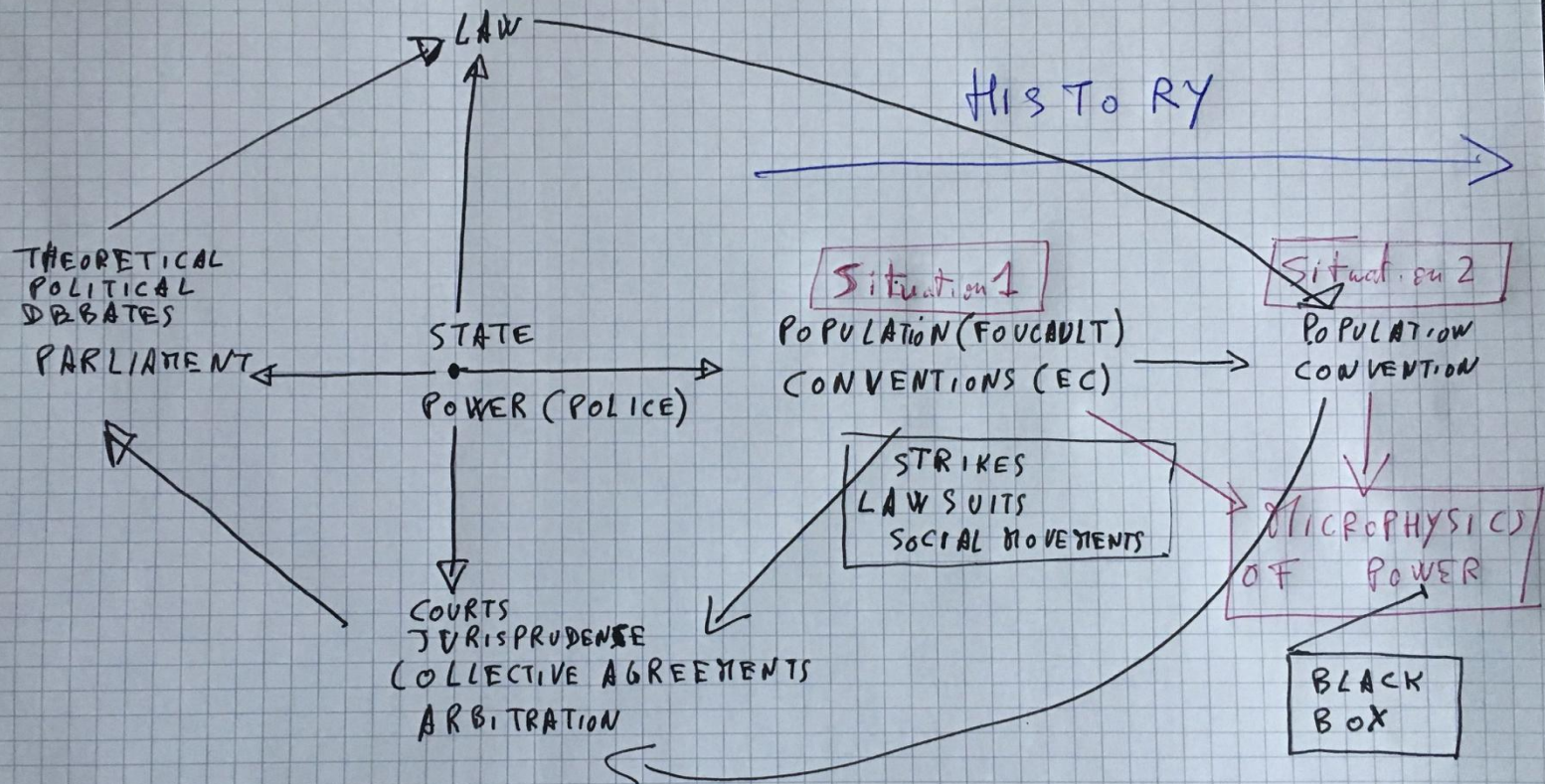


Table 2 from Statistics to the State



Plan

- ◆ 1. A deconstruction of statistical aggregates
- ◆ 2. From statistical work to the discovery of conventions (Salais)
- ◆ 3. The political power of conventions
- ◆ 4. EC in a globalised economy

1. A deconstruction of statistical aggregates

◆ 1.1. State → Statistics (Desrosières)

Statistics as the expression of a « Will to know » based on a new form of power (Foucault)

From the manifestation of power through public torture (cf. *Discipline and Punish*), to power as a discipline organised by the State (Through Army, School etc.)

Statistical data as a knowledge of Society by the State, in the perspective of a development of State power in face of the other States

1.1. A preliminary analyse of nomenclatures in relation with the power

- ◆ Guibert, Laganier and Volle, Essai sur les nomenclatures, 1971
- ◆ **“A nomenclature is a « reflection » of the historical and social context.** Thus, the criteria for defining the classification of activities under the different headings of a nomenclature have varied in the course of time. Under the 1788 nomenclature, inspired by the Physiocrats, industry was divided into headings based on the origin of the raw material used. The 1861 nomenclature marked a complete break with its predecessor; it effected a regrouping mainly based on the distinction between end-products (criterion of purpose). Since 1940, the criterion of association — grouping under the same heading activities which are found in the same enterprise — has tended to prevail, to such an extent that, finally, it can be said that « in real, technique prevails over purpose.”

1.3. Statistics beyond States? the European governance by indicators (Salais)

- ◆ Europe as a field of comparison of Members States performances based on quantitative data
- ◆ From welfare to competitiveness: Unemployment as the expression of a lack of competitiveness
- ◆ Presupposition of the orthodox models as framework of the assessment of the national economies
- ◆ Victory of the conception of Europe as an open market over the conception of Europe as an economic space. From European harmonisation to European deregulation

2. From statistical work to the conventions

◆ 2.1. A program of research

Quantitative data differs from big data nurturing algorithms because they suppose inquiries ie

- a. Elaboration of statistical categories by the statisticians
- b. Interrogation of members of a population (cf. Foucault's biopower)
- c. Treatment of the information, with a debate between modelisation and hierarchical classification

2.2. Into the core of the keynesian general theory: the invention of unemployment

- ◆ Salais' question: how did unemployment become the central indicator in the search for a full-employment economy?
- ◆ It led to the discovery that unemployment didn't have a stabilised meaning in France (and in Europe, see Zimmermann for Germany) at the end of the 19th century
- ◆ Because the statistician and the investigated people in census didn't understand it in the same way: absence of place in a workplace for the statistician, absence of activity for the outworkers (travail à domicile) who represented more than a third of the active population

2.2 B

- ◆ Unemployment reached a common meaning in France during the inter-war period between the statistician model and the actors, because of the generalisation of workplaces (établissements).
- ◆ Because also of the enactment of a Labour Code, which fixed a common meaning for work (Didry 2016)

2.2.C

- ◆ It led to a vision of the firm addressing the property and labor rights, either individual and collective, and to an in depth analyse of the action of the State, through its legislation. For example, the works councils power in the redundancies.
- ◆ The action of the State is not only thought as an *intervention* correcting the market failures, but as a *presence* through the legal framework of economic coordinations. In a way, we could think *to an extension of the Keynesian project from a macroeconomic action to a microeconomic foundation* → “Keynesian convention”

2.2.D

- ◆ The firm is a node of power, as it is based on the coordination of its members, but is also part of interaction with the consumers and the banks. Power is everywhere, in the frame and tools elaborated by the public actors and also in the people in a relational ie a rhyssomatic conception of power.
- ◆ We begin to think of 'conventions' as regularities observed in economic life, but that face uncertainties created by the field of power.

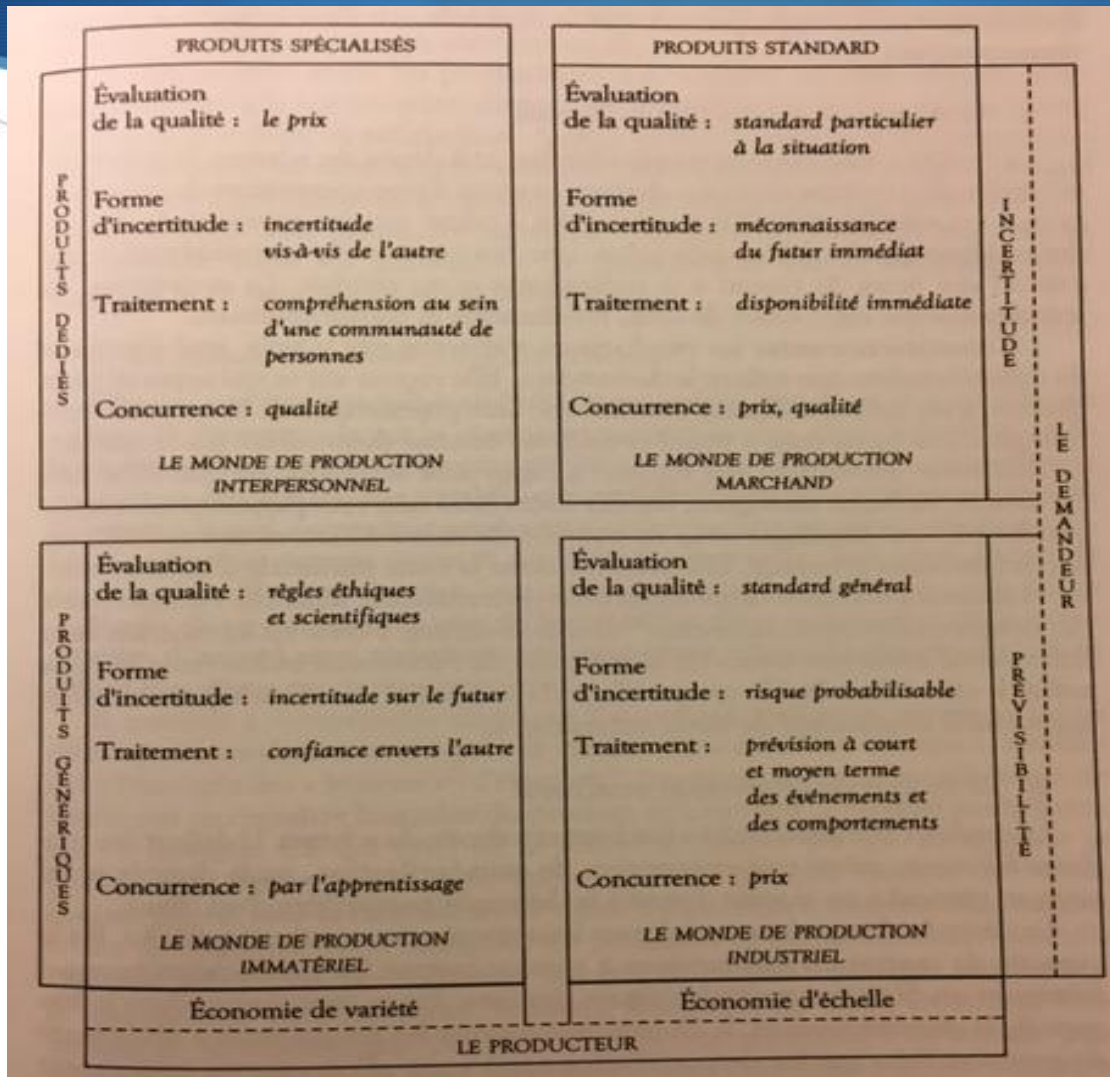
2.3. Labor conventions and production worlds

- ◆ The concept of convention as a regular coordination that repeats with success began its carrier in this reassessment of statistical data, that cover a multitude of situations. This reassessment implies to open the black box of the firm, as naturalised reality, and symmetrically the black box of labor reduced to the fordism-taylorism by the economic theory of regulation, as an heterodox vision of econometrics.
- ◆ It accompanies a discovery of alternatives to mass production (Piore, Sabel and Zeitlin)

2.3.B

- ◆ To summarise and theorise the statement of a plurality of production organisations, Salais and Storper suppose that profitability can be obtained through different ways that indicate the accountable data of the firms. Work and firms are then seen as the two aspects of the same situation, with a form of extension of the « internal markets » analysed by Favereau, through the articulation between the conventions of productivity and the conventions of unemployment.

2.3. C Salais' Worlds of production

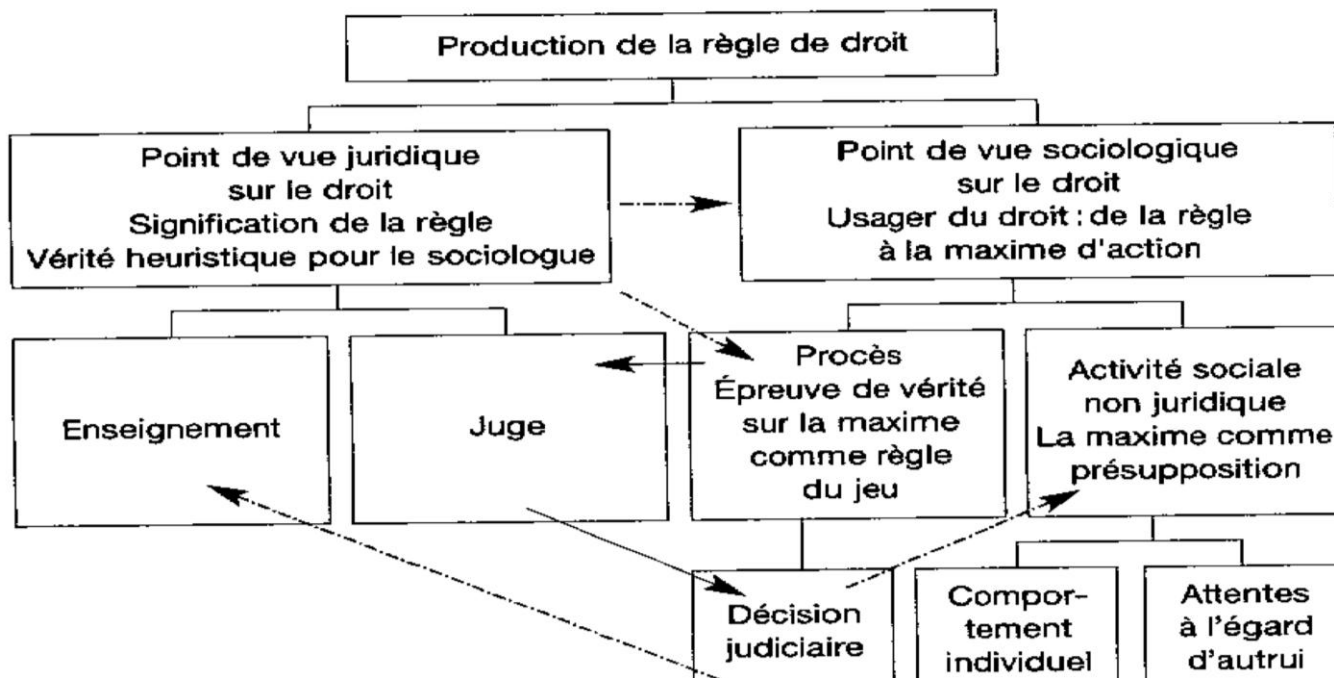


3. The political power of conventions

◆ 3.1. Tension *in* the coordination, Tension *on* the coordination

- ◆ As seen with Salais, labour conventions doesn't exclude power, on the contrary power is present in a relational way as the uncertainty between 'possible worlds' conceived by the participants.
- ◆ Institutional categories and jurisdictions become levees to express divergences between these worlds → situations of breaches through lawsuits. See for example Chateauraynaud, *la Faute professionnelle* (1992).
- ◆ Lawsuits and strikes aren't only "forces" confrontation, but implies also a reflexivity of the actors on the microphysics of power in which they participate.

Categories (statistical or juridical) in action, a weberian reflexivity?



3.2. Into the core of crisis: the case of 1930s France

- ◆ Beyond unemployment created by the crisis, the problem of work and labour conventions
- ◆ In a general decrease of economic activities, armament and aeronautics are launched in face of Nazi Germany
- ◆ Tension between quantitative rationalisation from above and innovative cooperation on specific products (air force and weapons)
- ◆ The defence of work as either intellectual and manual in the Defence industry → starting point of a large social movement (Didry and Salais 1997)

3.3. From microphysics to macro politics

- ◆ These tensions and conflicts in the 1930s are expressed in the existing labour law categories → search for large mobilisations in the workplaces (workers + technicians and engineers) aiming at collective agreements fixing the classification of wages and workers
- ◆ 2 outcomes
 - Labour law as a tool for expressing the claim and as a result with the legislative development of the Popular Front (1936)
 - New impetus in the labour conventions with mobilisation of the new laws in the production worlds

4. EC in a globalised economy

- ◆ **4.1. Globalisation as a new form of trade power**
- ◆ WTO created by the Marrakech agreement in 1994:
- ◆ Priority to trade over population, to competition over full-employment economies ?
- ◆ It gives an impetus to « global players » looking for new markets abroad and creating a competition between national work conditions and institutions.
- ◆ Financialisation and corporate governance (shareholder value)

4.2. EC in a critical position

- ◆ In this situation, we thought with Robert Salais that Europe could have been a new centre of power for building the social legislation of an “internal market”
- ◆ But, European governance has become a relay of the trade power (Salais 2013) that paralyses a coherent legislative power of the States (for example Carbon Market)
- ◆ Neo-liberalism is focused on dismantling labour law
- ◆ Firms are reduced to corporations under the power of shareholder, and no longer able to ensure coordination. The new spirit of capitalism proves to be the old spirit of the 19th liberalism, with a dispersion of subcontractors.

Conclusion: new fields for EC?

- ◆ EC is a tool for criticizing neo-liberal globalisation, which face its limits with the election of Trump in the US.
- ◆ In what way could EC be a driving force in the ongoing great transformation of power?
- ◆ One path is the emphasis on development as a global issue, but also as a way to see power as enhancing individual and collective capabilities (Sen) → Identify State actions as investments instead of correction of market failures or obstacles to market mechanisms.
- ◆ Another path is to enrich conventionalist theory of the firm with the concept of organisational learning, in order to identify the power failure that threaten the coordination capacity of the firm (Favereau)