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## **Exercising knowledge of costs: behavioural politics of economic restraint in French public service reform**

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## **Abstract**

The tropes of restraint and remediation that accompany the reform of public services and public administrations often locate in efficient costing the key to the state's economic fitness. Knowledge of costs does not feature in such reforms solely as information conducive to the strengthening of budgetary reform. It is also knowledge that needs to be practised and exercised in order to achieve a virtuous modification of the conduct of the state. The case of public hospitals and universities in France illustrates how knowledge of costs is made sense of by state practitioners as a behavioural lever. A Foucauldian angle on the narratives and policies that inform such exercising of knowledge of costs reveals the contours of a new paradigm of the state's self-care.

## **Keywords**

State reform; Public service; Costs; Behavioural paradigm; Governmentality; France

## Introduction

In his comprehensive analysis of recent reform rationales in public administrations in France, Philippe Bezes (2002, 2009) makes suggestive use, after Dominique Séglaard (1992), of an expression that carries intriguing Foucauldian connotations. He locates in ‘the state’s care of the self’ – *‘le souci de soi de l’État’* – the distinguishably reflexive condition that best characterizes the governmental focus on the regulation of public administration itself. The literal expression is in fact nowhere to be found in Foucault’s published work, as far as we can tell. This does not preclude it, however, from affording productive interpretive potentials. It connects indeed efficaciously the Foucauldian inquiry on the genealogies of contemporary forms of governmental technologies, or ‘governmentality’ (2008, 2009), to that on the art of the production of subjectivity (2005, 2010). The state – that is, the complex of administrative apparatuses, juristic identifications and political processes that go by that name – often appears in contemporary vernacular accounts as something whose prime act of government consists in reforming itself. This is certainly the case of France, as pertinently documented in the literature (Bezes, 2009; Saint-Martin, 2010). But the ‘reform of the state’ has been consistently displayed as a governmental motto in recent decades in countless other cases (Pollitt and Bouckaert, 2000; Hood, James, Scott, Jones and Travers, 1999).

Following the interpretive trail opened by this idea means indeed analyzing how several metrics and measures advocated for in reform policies flesh out the state’s attempt to ‘know’ itself. It also means examining how ‘knowledge of costs’ comes to the forefront as budgetary control becomes the dominant preoccupation within such developments. The Foucauldian resonance does demand in addition, though, that we study how such knowledge is ‘exercised’. The knowledge that is formed in the process of the *‘souci de soi’*, Michel Foucault argued in his investigations on the technologies of the self, is the outcome of a

procedure of spiritual exercising: one without which truth cannot be attained (Foucault, 2005). Truth, indeed, is not a content that ought to be obtained, but a transformation that is conducive to the acquisition of a new reflective self. The notion of the exercise is crucial in this context: it refers to the practising of knowledge, that is, to training discipline, to pedagogical transformation, to psychological fitness and to the realization of things through the lengthy process of the modification of habit. This insight connects with a burgeoning literature which focuses on how the preoccupation with the self is expressed in several expert practices and which engages in the analysis of a variety of self-administered exercises (e.g. Rose, 1993).

Taking this aspect of the metaphor of the ‘self-care of the state’ seriously is not a rhetorical contraption. It forces us to address an aspect of the reform of public administration that has often been neglected: namely, the extent to and way in which such reform rationales count on a distinctively behavioural approach to the effectiveness of transformation. The prime, straightforward objective of efficient costing is certainly to strengthen budgetary control. But ‘knowledge of costs’ is also explicitly meant to prompt a general state of awareness conducive to the modification of conduct. Our study aims at updating current research on the specificities of state and public sector reform in France (Bezes, 2009) with a focus on ‘knowledge of costs’ as a crucial but under-appreciated aspect, and at discussing the emergence of a distinctively behavioural paradigm in the Foucauldian terms of a specific form of ‘neoliberal governmentality’.

In the following section, we present a series of hypotheses on the role and meaning of a behavioural approach to economic restraint in the conduct of reform in public services and public administrations, and develop further our ‘governmentality’ analytical lens. We then offer a historical contextualization of recent initiatives for the reform of the state in France, with a focus on hospitals and universities – two areas in which reform debates have been particularly vivid in recent years. A presentation of our research methodology follows.

We subsequently present findings and then discuss them: what unfolds from our investigation is a way to delineate the contours of a new paradigm of the state's self-care.

### **Behavioural politics and the government of economic restraint**

Metaphors of weakness, decay and disease – and of vigour, therapy and healthiness – abound in the discourse that accompanies reform in public services and administrations in mainstream media, in specialized publications, and in governmental reports. Philippe Bezes (2006), for example, documents multiple occurrences in the press of notions of 'French administrative ache' – '*le mal administratif français*' – in the 1970s in France and examines their role in the orientation of reform. The spread of a vocabulary of 'performance' in the internal workings of the modernization of the French state in the 1990s and 2000s does also illustrate the significance of tropes of fitness, diet and remediation, closer this time to an athletic than to a medical paradigm (Bezes, 2009). Studies on the rhetorical dimension of public management have highlighted the significance of metaphors in both the justification and the orientation of reform (Hood, 2000). The intuition of a 'care of the self' that would govern the state's self-examination therefore demands attention to the metaphors that present the state – its 'body' – as some sort of a patient undergoing therapeutic attention, or of a sportsperson undertaking proper training.

We conjecture that exercising knowledge of costs is an essential part of such process of performance 'treatment'. This hypothesis draws in part from a literature that sees in the development of behavioural approaches to public policy an essential element of contemporary 'value-driven' public management (Davies, 2014, 2015). Specific indicators aiming at prompting awareness of costs among a variety of publics – from public service users, or users-qua-taxpayers, to agents, officers, managers and operators in public services and

administrations – are often made sense of, we suggest, as behavioural incentives whose reformative virtue would rely on their ‘nudging’ potentials (Leggett, 2014). The rise of a ‘nudging’ paradigm in public administration and public policy, associated to the influence of behavioural economics and cognitive psychology in governmental circles in the United Kingdom and the United States of America, is often interpreted, in this regard, either as the expression of a ‘neoliberal’ approach to government or as a transition to a different, ‘neocommunitarian’ perspective based on a technocratic approach to social, behavioural science (Davies, 2012). It generally partakes, though, of a wider turn to ‘incentives’ in matters of economic government, which requires that the focus proceeds to metrics, measures and indicators (Desrosières, 2003).

Emerging paradigms of behavioural government have attracted critical attention in France (Bergeron et al., 2018). This is to be situated within the context of the shifting styles of ‘performance culture’ and ‘new public management’ that have come to characterize state reform in France in recent years (Bezes, 2009, 2020; Cole, 2010; Cole and Jones, 2005). The context is also that of a particular approach to budgetary austerity in France, marked by recurring debates on public debt and public budget (Clift, 2012; Lemoine, 2016; see also Grant and Wilson 2012). The purpose of the present study is to shed light on the expression, within this context of ‘performance culture’ and ‘new public management’, of a novel governmental paradigm that relies on the exercising of knowledge of costs as a behavioural lever for the conduct of reform in public administrations and public services. Our Foucauldian perspective on this phenomenon is informed by a turn to ‘neoliberal governmentality’ in the analysis of administrative capacity, a perspective put forward, particularly, in the sociology of accounting, and which focuses on the intellectual technologies that achieve government ‘at a distance’ (Miller and Rose, 1990; Rose and Miller, 1992; see also Power, 2011). The present study aims at furthering the Foucauldian angle, by locating the exercising of knowledge of

costs as a distinctively neoliberal form of governmental disposition (Foucault, 2008) but also at examining the extent to which the meaning of this exercising is controlled by a specific distinction between what is normal and what is abnormal (Foucault, 2006). As we will see further, various devices aiming at improving knowledge of costs carry with them a rationality that considers, implicitly or explicitly, that public services must be governed as individual, rational, responsible and cost-aware actors.

### **France and the interpretation of modernization**

We confront these hypotheses to a study on the conduct of reform in French public services and public administrations. As suggested in the work mentioned above (Bezes, 2009; Saint-Martin, 2010), France features as a preferred case for the study of phenomena of overexpression in the justification of the modernization of the state. Moreover, as put forward in recent research, the modernization of the French state can be aptly understood in terms of ‘trials of explicitness’: that is, as situations in which grand principles or general orientations, once put to the test of actual implementation, are confronted to a variety of conflicting meanings (Muniesa and Linhardt, 2011; Muniesa, 2014). An institutional and historical contextualization of our empirical materials is nonetheless necessary before developing our analysis.

#### *Shifting patterns in state reform*

The historical roots of the particular blend of the ‘state’s care of the self’ that is to be found in France can probably take the historian quite far, past the consolidation of the ministerial apparatus of the French monarchy in the 17<sup>th</sup> century. There is agreement, however, on the

fact that the main distinctive traits of the present situation are best characterized, historically, within the context of the Fifth Republic established in 1958 (Bezes, 2009). A list of important acronyms marks the series of ‘reforms of the state’ (*réformes de l’État*) that inform its evolution. RCB, for *‘Rationalisation des choix budgétaires’* (‘Rationalization of Budgetary Decisions’), features prominently at the beginning of this chronology: a budgeting planning system introduced in 1968. Then, more recently, LOLF, for *‘Loi organique relative aux lois de finances’* (‘Public Budget Reform Act’): a reform passed in 2001 and implemented in 2007 with the purpose of introducing management accounting and performance indicators in the vote and allocation of the public budget. Then comes RGPP, for *‘Révision générale des politiques publiques’* (‘General Revision of Public Policies’): a general audit and redefinition of the missions of the state introduced in 2007 and carried out by the *‘Direction générale de la modernisation de l’État’* or DGME (‘Directorate General for the Modernization of the State’ located at the Ministry of Finance). And finally (so far), MAP, for *‘Modernisation de l’action publique’* (‘Modernization of Public Action’): a new variation on the same topic introduced in 2012. This later reformative movement translated into the creation of the SGMAP, the *‘Secrétariat général pour la modernisation de l’action publique’* (‘General Secretariat for the Modernization of Public Action’), created in part with the purpose of ‘simplifying’ the state and experimenting with forms of the ‘government as a platform’ paradigm, then terminated in 2017, superseded by further initiatives.

The logic of performance indicators and policy measures as behavioural incentives is present, at least in part, in such evolutions. One prime objective of the introduction of performance indicators with the LOLF reform was to empower Parliament in the examination and vote of the general state budget. But these indicators were also often designed, presented and practiced as signals for the realization, by state practitioners (or self-realization by the state), of the level of efficiency attained in the conduct of public service and public policy

(Muniesa and Linhardt, 2011). As some of such indicators carried a distinctively economic meaning of efficiency (attainment of quality in relation to incurred costs), the LOLF indeed offered an early-2000s expression of the potentials of the exercising of knowledge of costs. This paved the way to emergent methods for the reduction of administrative burden in the RGPP reform: e.g. standard cost models or customer journey mapping. The SGMAP, more recently, has been recognized as a sort of a French governmental ‘Nudge Unit’ where emphasis is put on novel, dynamic, experimental ways to improve access to public services and compliance with governmental policies and regulations (Gélédan, 2016).

### *Students and patients*

Public hospitals and public universities count among the most sensitive topics of public service reform in France (Mennicken and Muniesa, 2017). Musselin (2017) has analyzed the central role played by new budgetary dispositions in the transformation of the management of French universities in the mid-2000s along that line (see also Dobbins, 2012; Renaudie, 2018). Two important reforms played a pivotal role. The first was the creation of a large national agency in charge for the funding of scientific research (ANR for ‘*Agence nationale de la recherche*’) and of a single national authority for research assessment (AÉRES for ‘*Agence d’évaluation de la recherche et de l’enseignement supérieur*’, later replaced by the ‘*Haut conseil de l’évaluation de la recherche et de l’enseignement supérieur*’, or HCÉRES). Both institutions ought to guarantee the establishment of a culture of competition based on the capacity to comply with various performance metrics, on the one hand, and to secure research grants, on the other. The second pivotal reform was the implementation of a form for budgetary ‘autonomy’, or ‘responsibility’, as the motto went (LRU stands for ‘*Loi relative aux libertés et responsabilités des universités*’, a bill passed in 2007 also known as ‘*Loi*

*Pécresse*'), which transferred to universities the management of their entire budget, including the wage bill. Before, universities only had to play an administrative role, compensation policies being directly handled by the Ministry of Higher Education. After the reform, universities themselves had to cope with financial management: a task which, as Christine Musselin (2017) emphasizes, translated into the empowerment of financial departments within universities. Political debates emerged on whether or not a university responsible for its own budget could go bankrupt, and who would be politically responsible for such a situation (Sinigaglia, 2018; see also Juven and Lemoine, 2018).

Administrative and financial transformations of French public healthcare in recent decades provide further ample evidence of the extent to which the extension and refinement of reform rationales take place within the boundaries of public service, i.e. of service considered, in this case, from the perspective of access to health service for all (see Simonet, 2013). The establishment of a series of audit and accreditation bodies, such as the HAS (*'Haute autorité de santé'*, created in 2004), provide a good example of the rise of a regime of data-driven quality awareness. Pierre-André Juven (2016) has documented extensively the introduction of activity-based costing in public hospitals in France and has shown how one crucial consequence of this is the emergence of a notion of 'financial situation' in public hospitals. What was previously considered in mere terms of expenditure derived from a global budgetary envelope was now framed in terms of 'financial flows' that required a 'responsible' managerial attitude. The balance sheet is thus interiorized as a concern within the hospital, since strategic levers are now available for the managerial fine-tuning of medical acts, allocation of resources and, eventually, indebtedness. That, for example, the hospital bed becomes a resource that needs to be craftily calculated is now part of ordinary life in French public hospitals: a cost, certainly, but also a resource insofar it can, if properly managed, generate an efficacy rate. Maximizing the efficacy generated by this or that combination of

resources is certainly not something that is thought of straightforwardly in terms of monetary benefit. But it certainly requires some sort of a monetary imagination, as the ‘financial state’ of the hospital is incorporated into the mundane practice of performing a medical act, or not.

### **Data and research methodology**

Data for this research was collected through desk-based literature and documentation review and through semi-structured interviews. 34 interviews were carried out in total (17 on universities, 17 on hospitals) with 47 interviewees (22 on universities, 23 on hospitals): 10 in street-level services (medical staff, university faculty and staff), 16 in university and hospital management and 21 in state agencies and central services or ministries. The interviews were conducted between October 2017 and April 2018, recorded, transcribed and analyzed using a qualitative, inductive approach. Interviewees were approached on the grounds of their role in the development, use or justification of tools pertaining to recent (i.e. mid-2000s onwards) reforms in public hospitals and universities in France. They were asked to elaborate on particular quantitative measures they considered of importance in the characterization of their job or function, or of the wider modernization movement they were part of. The materials thus obtained were analyzed using an inductive approach, searching first various expressions referring to ‘knowledge of costs’ (loosely understood), then further refining our research hypotheses so as to approach again the materials with a more specific, selective lens. In the following section, we present five illustrations hence obtained from the empirical materials.

### **Empirical expressions of the exercising of knowledge of costs**

We identify from our research data a series of representative policies, measures or indicators that connect explicitly to the concern of the knowledge of costs, and its exercising. We observe the terms and circumstances in which each are presented, justified or criticized.

### *Forming knowledge of costs*

‘Knowledge of costs’ – *‘connaissance des coûts’* in French – is the name of a specific project within the Ministry of Higher Education. It is also the name of a guideline issued in 2015 by the project’s task force at the Ministry (DGESIP, 2015). The project’s rationale was justified in terms readily shared by informants in the field: that of the lack of knowledge on the ‘real costs’ of higher education (DGESIP, 2015: 6). This observation was put forward from the perspective of the Ministry, but did also concern universities themselves, who were discovering the burden on financial self-observation in the wake of the LRU reform. The purpose was to establish a sense of cost accounting, capable of dealing with ‘full costs’ (*‘coûts complets’*), a cost accounting notion that was not part of general accounting culture in French universities. Breaking costs down to the level of specific ‘activities’ required indeed a particular sense of detailed imputation, as in the case of personnel costs that had to be assigned to diverse activities such as teaching (per degree or programme level) and research:

*“The objective is to obtain an average student cost, an average cost of logistics, an average cost of communication, an average cost of all activities in the university. [...] We attend six meetings a year and, at each meeting, we have to provide a table with costs, to show how we are progressing. We [i.e. the universities involved in the programme] progress at different paces. But then they [the Ministry] do not sanction us. They are*

*rather supportive. That said, in May we will each have to have a neat picture of all our average costs. It is the first time I have seen this method being implemented.” (Head of administrative services of Paris region university, interview 12/04/2017)*

The declared objective was indeed not exactly the implementation of a tight control of budgetary allocation at the Ministry (e.g. through the introduction of activity-based costing). It was rather the instillation of a culture of optimization at the level of universities, with the possibility for these to use this ‘knowledge’ in order to ‘optimize their offer, adapting the costs they incur in to the value their offer represents’ (DGESIP, 2015: 25). The possibility of knowing, say, the average cost represented by one student opened nonetheless obvious comparative benchmarking potentials. Remarkably enough, the initiative took the form of a training programme attended by university managers and accountants, that is, a form that favoured a process of pedagogical acquisition of knowledge. The project’s guidelines were also elaborated on the basis of interactions with and between representatives of a number of universities, that is, a working group that had situated at the centre of its reflection not a reporting mandate but rather the strategic empowerment of universities through this process of knowledge-making. The Ministry’s role within the initiative is to provide support rather than to issue sanctions, which again demonstrates an educational rather than purely disciplinary approach.

### *Mapping economic situations*

This initiative compares interestingly with another instrument elaborated in 2010 at the Ministry of Higher Education by an internal auditor and a former management scholar.

Labelled ‘economic mapping’ – ‘*cartographie économique*’ –, this instrument was meant to enhance the auditing process in universities through a rudimentary cost-benefit analysis of educational offer at universities (degrees and specific courses). The purpose was to provide universities with an objectified depiction of their financial accounting situation:

*“One main advantage of this instrument consists in the possibility of setting aside an approach by universities and focus instead on disciplinary fields. We can also abandon a focus on expenses alone and concentrate on the actual costs for the community of a specific sector. We look at the direct revenues generated by a sector and at the related direct expenses, and therefore the difference between the two is what the community must contribute to in financial terms. [...] So an equal level of expenses for two sectors can cost the community more or less, depending on whether it is able to free its own resources or not. That is the big difference with this approach. You have areas that cost money and pay nothing. It was usual, for example, to castigate the social sciences and the humanities, which bring nothing, but, in a number of economic maps that we made, we showed that they were not that expensive. As a result, the differential for the community was quite low. Same with scientific research. We showed that we had sectors that generated many contracts with the industry but that also generated high costs. The differential that the community must bring for the activity to thrive is very strong and sometimes it is stronger than in other sectors. [...] What we have to look at is the differential.” (Inspector at the public administration auditing office for education and research, interview 11/08/2017)*

A cost-benefit rationale, we observe, allows for the identification of financial regularities in the relations between expense and delivery beyond the perimeter of the university as such. The comparison between the ‘value’ of the social sciences and the humanities, on the one hand, and that of scientific approaches prone to innovation and industrial application, on the other, offers a case in point. The ‘mapping’ ambition certainly corresponds to a rather systemic, strategic view at the centre of which is situated the ‘community’, or the ‘taxpayer’, a taxpayer that, somehow in the fashion of an investor, is required to pony up – and demands, accordingly, an instrument to make sense of the efficiency of its money. The behavioural aspect of this process is quite straightforward: this ‘map’ produces a form of knowledge that can be actioned by decision-makers at the level of the Ministry but also by administrators in universities (who can now develop a more strategic fit of their budgetary policies) and ultimately by the ‘community’ itself.

### *Signalling states of deficit*

Providing French hospitals with a proper ‘financial state’ was among the key purposes of the introduction of activity-based costing – the infamous ‘T2A’ (*tarification à l’activité*) – in the mid-2000s. One obvious correlate to this was the introduction of a proper sense of financial difficulty, deficit or even ‘bankruptcy’ – *faillite* in French. Technically speaking, though, a public hospital cannot go ‘bankrupt’ in France: it is financially and administratively autonomous, but it is also part of public administration. The sense of financial difficulty is best translated through the notion of deficit, which corresponds to a debt towards the state. A public hospital can therefore function even in a state of deficit, since the state is there to guarantee its financing. The problematic aspect of such situation is rendered through emphasis

on the impact the deficit can have on the hospital's immediate economic environment, e.g. on suppliers:

*“Some public hospitals today face great difficulties. They pay suppliers a little late, often just before the supply disruption, and in the absence of any contractual link between hospitals and suppliers. In overseas France, this has consequences on the whole local economic environment.” (Accounting officer at the Ministry of Health, interview 12/21/2017)*

This ‘collateral’ effect of debt constitutes the main argument for the Ministry of Health to urge hospitals not to accumulate large deficits. It is not a question of asking the hospital to be profitable, the officer insists. It is about preventing cascading effects and mismanagement of public resources:

*“[We have been accused of asking hospitals] to be profitable. That is the word that was used, ‘profitable’. But the problem is not to be profitable. The problem is to be healthy.” (Accounting officer at the Ministry of Health, interview 12/21/2017)*

The notion of the ‘healthiness’ of public hospitals, which has indeed gained quite some currency in policy circles and mainstream media, indeed refers to this idea of a sustainable, balanced state of indebtedness. Cultivating awareness of the limits of this state, through the observation of alerting signals (i.e. possible breakdown of essential supply), is

crucial to this form of costing responsibility. Such responsibility translates in practice into contracts that bind every hospital department to the hospital's central administration (*'contrats de pôle'*). The specifications medical teams have to comply with are not compulsory, but they organize their everyday relationships with the hospital's administration.

### *Informing democratic power*

The prime justification for the performance reform known for the acronym LOLF (*'Loi organique relative aux lois de finances'*) was the empowerment of the French Parliament. Providing parliamentarians with fine-grained indicators per state mission and objective was introduced as a way to offer a grip for the vote of the yearly state budget. Hundreds of indicators were designed, sourced and calculated in order to feed the drafting of the budgetary proposal, or PLF (*'Projet de loi de finances'*) submitted by the Ministry of the Budget to the chamber every year. Knowledge of costs was among the key requirements for this newly acquired capability, and at the centre of a number of such indicators. The budget for healthcare is presented to Parliament in a separate document – PLFSS (*'Projet de loi de financement de la sécurité sociale'*, a measure established in 1996) – as this envelope is handled separately through the national social security system (the *'Sécurité sociale'*).

Abundant use of performance indicators is made, for example, in the PLFSS for 2018 (DSS 2017). Indicator 'number 15' targets explicitly the evolution of the average yearly costs represented by healthcare (DSS, 2017: 64-67). These aggregate figures are established on the basis of an algorithmic analysis of expenses reimbursed through the national social security system which are then imputed to specific pathologies, treatments and healthcare events, thus offering a 'expenses map'. Members of Parliament are thus exposed to fine-grained information such as the following:

*“Terminal chronic kidney disease generates the highest yearly cost: about 43.500 euros per patient per year, with wide variations depending on the type of care. The average cost for patients undergoing dialysis is 63.200 euros, 71.900 euros for patients having received a kidney implant during the year, and 14.100 euros for patients already carrying an implant. This does not include costs related to cardio-neurovascular complications, diabetes or comorbidity.” (DSS, 2017: 64-67)*

The understanding and realization of actual costs are presented as an achievement of democratic awareness. There is no straightforward interpretation, though, of how such knowledge of costs can orient or inform the reasoning and political determination of parliamentarians. Such indicators are complemented by others that emphasize achievement instead of costs (i.e. indicators on the evolution of life expectancy). Overall, the document is full of information that aims at instilling a sense of measure in budgetary will. A reader is imagined who progressively, year after year, will acquire the capacity to realize what these costs mean.

### *Doubting the logic of quantification*

The proliferation of numbers in hospitals has had many effects. One of the most notable is indeed self-knowledge, at the level of the hospital administration, but also knowledge bridging the relation between hospitals, agencies, authorities and the public. Better knowledge, it is claimed, makes it possible to pinpoint the priority work areas and qualify the action to be taken: closing beds, renovating buildings, eliminating redundancies, buying

equipment. But does better knowledge mean better care? A number of informants provided mixed answers to this question. This is particularly the case when quality managers or doctors in charge of the medical department in hospitals face processes of audit or accreditation, such as the ones carried out by the HAS (*‘Haute autorité de santé’*, an independent certification agency). Critiques surface both on the actual link between process and care, and on the actual soundness of the knowledge collection procedure:

*“The certification expert told me: ‘You have achieved great progress.’ Fine. We’re making progress, there’s no doubt about it. But the whole point is the result for the patient. In other words: considerable progress has been made in terms of structuring, policy, governance, steering and evaluation. We know what’s going on in our hospital. That is indisputable. Are patients more satisfied today than they were before? Are they better cared for? That is true in some cases, in other cases it is debatable. The average length of stay is reduced. We have restrictions. [...] And the surgical site infection indicator is a joke. That’s a joke. Nobody measures it in the same way. The collection rate is very low. There are those who say, ‘For me, surgical site infection means the moment there is a surgical revision.’ Then you have the one saying, ‘For me, surgical site infection is a little red scar in the skin.’ Some patients come back for consultation after surgery, others do not. Some fill out the form, some don’t.” (Doctor and quality manager in a hospital in the Paris region, interview 12/18/2017)*

As in many other instances of organizational life (French hospitals and universities are not an exception here), a culture of performance management opens up questions and paradoxes on what the performance is supposed to be about and on how an attempt at tracking it through quantification may generate failure or disorientation, with practitioners expressing a sense of dispossession in relation to the ‘knowledge’ they are supposed to exercise.

### **Analytical insights on the emergence of a behavioural paradigm**

Our study largely comforts the hypothesis according to which exercising knowledge of costs plays an important role in the measures that accompany the reform of public service and public administration in France. It also provides evidence of the significance of metaphors of fitness and healthiness in the justification of such measures. The ‘state’s care of the self’ (Bezes, 2002, 2009) finds indeed in this particular template of economic restraint – or ‘diet’ – a crucial rhetoric resource. Multiple ways in which this resource is articulated are identifiable: there is no unique way in which this exercising of knowledge of costs ought to be made sense of in policy-making circles, in central administrations or in street-level services. The implementation of cost awareness methods and devices seems to face the ‘trials of explicitness’ (Muniesa and Linhardt, 2011) that have been observed elsewhere: a same reform principle or doctrine might translate into different realities once put to the test of actual enactment. A number of general observations can nonetheless be offered in the interpretation of these results.

The set of measures and instruments highlighted in this study certainly falls within the large rubric of ‘governing at a distance’ characteristic of ‘neoliberal governmentality’ (Miller and Rose, 1990). They partake in this respect of the wide movement of ‘governing by numbers’ – i.e. public management through performance indicators and statistical instruments

– that has been discussed critically by the likes of Alain Supiot (2017). They undoubtedly find a place within the justificatory context of austerity measures that mark the neoliberal response, in France as elsewhere, to the crisis of the welfare state (Blyth, 2013; Clift, 2012, 2018; Lemoine, 2016; Grant and Wilson, 2012). The study suggests, however, the relevance of a particular behavioural modality – a ‘nudging’ version of quantitative governance – of such general approach to the reform of public administration and public service in France. The consolidation of economistic approaches to the conduct of the state goes hand in hand, at least in part, with the emergence of novel trends that emphasize ergonomic simplification, autonomous responsibility and behavioural design (Alauzen, 2019; Gélédan, 2016). Without referring systematically to a ‘nudge’ approach to policy, these find nonetheless their place within the continuum between ‘neoliberal’ and ‘neocommunitarian’ perspectives identified by Will Davies (2012). At stake is the shifting treatment of ‘costing’ at work within the examined examples.

Attention needs to be drawn, we observe, to the level of reification of the notion of ‘cost’. The malleable nature of this category has been amply debated in the accounting and managerial literature (Hopwood and Miller, 1994), as it has been abundantly exposed in the very accounting textbooks that have given currency in France to the idea of the social construction of costs (Riveline, 2005; Engel and Kletz, 2007). Such plasticity is indeed often lived as such by accounting practitioners, typically when a new concept (e.g. ‘full costs’) is introduced in an organization that was alien to it. This was the case at early stages of the LOLF reform, for example, when telling a cost from a benefit could represent an epistemic and political puzzle (Muniesa and Linhardt, 2011). Our data suggests, however, a largely shared, naturalized idea of costs being properly there, waiting to be conveniently accounted for through the use of adequate expertise. This, we suggest, can be explained by these reforms being, in a sense, ‘post-LOLF’. Although this aspect is certainly not without relation to the

wider syndrome of the naturalization of public debt, conveniently documented by Benjamin Lemoine (2016) before the period under scrutiny here.

What seems to be at the centre of the experience of exercising knowledge of costs, rather than the mere realization of the existence of these, is the fine degree to which these can be abstracted from a rather massive reality. The yearly cost of a particular disease ('terminal chronic kidney disease') or of a particular academic discipline ('humanities') can be disentangled in an arguably non-arbitrary manner from the wider complex of intertwined apparatuses and activities that constitute a hospital or a university. The institutional traction that these abstractive properties of cost calculation can have has been aptly examined in the literature on the historical sociology of accounting and quantification (Miller, 1991; Porter, 1995). What we observe is that, within the particular regime of the state's self-care that we characterize here, the focus on the particular (e.g. on a microeconomic level, on a disaggregated unit, on a singular item) can allow for the systemic expression of new cost entities (a disease or a discipline, generically considered).

The hypothesis formulated by Alain Desrosières (2003) according to which several traditions in statistics characterize different conceptions of the state and of the state's relation to 'the economy' fits our results (see also Bruno, Jany-Catrice and Touchelay, 2016). Each, we suggest, may be recognized through the presence of particular tropes. A tradition of command administration and national audit can be perceived, for example, in the idea of knowledge of costs being a matter of 'mapping', with a sort of a control room from which a particular quantitative phenomenon can be 'monitored', with alert signals being readily visible. The distinctively neoliberal ideal of a state whose primary role consists in influencing microeconomic dynamics, through a polycentric administration of incentives (Desrosières, 2003), seems nonetheless to dominate our materials, as the exercising of knowledge of costs

emphatically concerns the microeconomic unit (e.g. accounting staff and administrators in hospitals and universities).

The behavioural tone is certainly pervasive in the materials analyzed here. The function of obtaining and displaying knowledge of costs is rather communicative. The purpose of the verification of costs is to prompt awareness, rather than to inform coercive, punitive measures. In most cases, the act of exercising knowledge of costs is presented as an emancipatory, pedagogical vehicle. The realization of budgetary deficits, for example, amounts to a sort of an institutional state of mind that needs to be maintained and cultivated. Displaying costs seems to be done, almost, for the sake of display, with no subsequent enforcement of measures. This wears signs of a ‘nudge’ worldview, in a sense (Davies, 2012, 2014; Leggett, 2014). Faith in the autogenesis of corrective behaviour certainly can be interpreted, within this context, as a fundamental trait of the doctrine of neoliberalism as examined by Michel Foucault (2008), while opening up directions towards novel political orientations (Davies, 2012).

In addition, as in concomitant moves towards an institutional culture of fitness, awareness and smartness (Cederström and Spicer, 2015; Davies, 2015; Morozov, 2013), the particular blend of the state’s care of the self that our study examines is marked by forms of moral erosion. The act of exercising knowledge of costs, though often lived by practitioners as a virtuous source of political hope, can also be experienced as some sort of a barren gesticulation, as a pointless loss of energy or as a misleading chimera. The metaphor of the state’s self-care can indeed precipitate the hypothesis of a disorder of a narcissistic kind, with too much attention to its own image in the mirror preventing the state from paying attention to what happens outside of that mirror.

## Conclusion

Understanding the rhetorical tropes that feed the transformations of the state means understanding the criteria with which its ‘failures’, ‘successes’, ‘problems’ or ‘solutions’ are interpreted in particular contexts (Hood, 2000). That those costs are a problem and knowledge of them a solution (conducive to their reduction) is an idea that stands centrally in the repertoire of reform in developed liberal democracies today, often linked in scholarly examination to the political doctrine of neoliberalism (Davies, 2014). This is particularly the case in jurisdictions in which the reform of the state is considered the state’s most decisive purpose, with France offering a remarkable case in point (Bezes, 2009). A perspective inspired from Michel Foucault grants here the possibility of examining how this knowledge of costs operates as a distinctively neoliberal technique of government – or ‘governmentality’ – or not (Foucault, 2008) but also of studying the way in which this particular form of state self-knowledge – or ‘self-care’ – is bound to a particular culture of training and exercising (Foucault, 2005). Metaphors of remedy and fitness in the conduct of reform accompany a series of measures, instruments and orientations that revolve around the notion of the exercising of knowledge of costs, knowledge that is indeed effective insofar it is cognitively practiced. A distinctive behavioural aspect is observable in the ideal of an autogenetic reform: knowledge of costs is less thought of as a governmental lever than as a content that, once conveniently communicated and experienced, ought to generate behavioural adjustment spontaneously. We show that this behavioural turn to costs in public policy and public administration in France introduces novel terms, novel concerns and novel ways to understand the state’s economic restraint, at once attuned to the now standard economic efficiency doctrines of ‘new public management’ and ‘neoliberal austerity’, and marked by the

somewhat new, emerging paradigm of a state capable of ‘nudging’ itself through simple awareness devices.

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