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Note from the editor

Dear reader,

In the opening paper, Florence Jany-Catrice analyses the idea of performance. Taking stock of studies on the socio-economy of services she explains some of the flaws conveyed by this word and suggests some new and challenging views in order to have a better understanding of this crucial dimension of our present economic activity. A socio-economic approach or *Économie sociale* is also at the basis of Jean-Louis Laville's paper in which he argues that democratic solidarity is a possible solution to the diffusion of the market society.

Further, we have in this issue a set of papers dealing with several facets of the job market using a comparative approach. Nadya Guimarães, Didier Demazière, Helena Hirata and Kurumi Sujita examine the situation and the related social representations of unemployed people in three major cities (São Paulo, Paris and Tokyo). Ana Braga Martes and Dimitri Fazito compare the nature of social networks of Brazilian emigrants in the United States and Bolivia; their study illustrates how important the social contexts of emigration are, whether in Brazil or in the country of emigration.

Finally, this issue offers a bird's eye view of the sociology of economic life in Asia. Louis Augustin-Jean's study is a wonderful example of what we would call the socio-political construction of the market in the case of the sugar industry in Southern China. Laurence Roulleau-Berger offers a general overview of socio-economic research in contemporary Chinese sociology.

In the interview section, Marion Fourcade goes back over her formative years and considers some of the results and outcomes of her important book (*Economists and Societies. Discipline and Profession in the United States, Britain and France*) recently published by Princeton University Press. In a period of time in which major economists – see for example chapter 9 of Joseph Stiglitz's *Freefall. America, Free Markets, and the Sinking of the World Economy* – claim that after the recent period of market fundamentalism, reforming economics is one of the steps toward reforming the economy, it is worth considering the issue of how economic theory was made what it is in these three major countries when the development of economics is at stake.

This is our last issue as editors. We would like to thank all the contributors to Volume 11 of *Economic Sociology. The European Newsletter* and the staff in Cologne, with a special mention to Christina Glasmacher. The next editor of the Newsletter is Nigel Dodd to whom should be sent any material for the November issue (N.B.Dodd@lse.ac.uk). In the present monetary and financial turmoil, his deep knowledge of the sociology of money will be most relevant.

With best wishes for a fruitful and pleasant summer,

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A Grammar of Performance

By Florence Jany-Catrice¹

I. Etymological duality

The etymological duality of the word 'performance' is a source of both semantic richness and ambiguities. On the one hand, the verb 'to perform' means to function, operate or behave in a particular way, and although it was originally limited to the functioning of animals or machines, its meaning is no longer restricted in this way and can be extended to any being or situation². Moreover, in the sense of 'to accomplish', it means to carry out or complete a task, giving it a dynamic effect referring to both the action and the result of that action.

On the other hand, the word's Latin etymology gives it a meaning more akin to the (still positive) idea of perfection. This idea relates more to a quality of an individual and in this case denotes a task or situation requiring exceptional qualities, the public manifestation of capabilities, etc. In this sense, performance refers not so much to an action as to the outcome of an action.

Thus, all things considered, this ambiguity of meaning arises out of the fact that 'performance' denotes, in turn and with increasing degrees of overlap, both the results of an action and the optimisation processes involved in attaining those results.

In the sphere of work and employment, 'performance at work', although now in widespread use, is a relatively recent expression and has retained, through successive additions, these two meanings of performance. It is fairly widely regarded as one element in a new way of displaying commitment to paid work; the tools used to measure performance at work have become the gateways to self-commitment, even serving, if need be, as the basis for new forms of voluntary servitude. Implicit in them also is the notion of excellence and victor.

The elevation of 'performance at work' to the status of a culture or even a cult in its own right (Dejours, 2003), which it has taken corporate and other managers less than two decades to achieve, has been fostered by a fourfold socioeconomic change: the development of economies

dominated by service industries (§II.); the growing individualisation of employment relationships (§III); the 'modernisation' of public services (§IV); and the expansion of quantification (§V). The practices associated with the evaluation and measurement of performance at work can perhaps be seen as the most highly developed manifestation of these four simultaneous changes. This being so, and although certain forms are dominant in contemporary capitalism, the notion of performance has retained its pluralistic nature with regard to both its construction and the systems put in place to assess it.

II. Productivity in services: an elusive notion

The transformation of industrial economies and production systems into service economies has changed the mode of coordination of agents and the arrangements for incentivising employees, in particular because everything coming under the heading of 'production' is less clearly defined and more determined by convention. The introduction of arrangements for coordinating and incentivising employees often seems to be a (limited) response to the difficulties of mechanically applying the productivity indicators used in manufacturing industry (§2.1.), in particular because of the conventions associated with the 'product' or output of service activities (§2.2.).

2.1. The difficulty of using the notion of productivity in service economies

The Fordist era was underpinned by a regime aimed at increasing production (in volume terms) and distributing the fruits of the growth in output on the basis of a so-called Fordist compromise. This compromise rested on a combination of objectified indicators of industrial productivity, on the one hand, and of principles of redistributive justice, on the other. The objectified indicators of industrial productivity were associated with managerial practices that focused on the volume of manufacturing output relative to the time workers took to produce it, while the redistributive justice was based on the notion that the pace of pay increases and of social progress should be in line with increases in productivity gains. Work organisation in the industrial productive systems made productivity (of a production factor, particularly labour) one of the key indica-

tors in the wage-labour nexus. The notion of productivity compared output (what is produced by an individual or an organisation) to inputs (the volume of labour required to produce the output in question).

The application of this industrialist concept to service activities rapidly became problematic, particularly because it is not immediately evident what the output of a service activity is and because, in most services, it is difficult to separate out the process of producing a service from the result of that process (Gadrey, 1996). Just as it is easy to identify what a firm in the automotive or clothing industry produces, and hence to monitor that output or to relate it to the effort required to produce it, so any attempt to establish what the output of a hospital, school or even a consultancy firm is raises much thornier issues.

Broadly speaking, the responses to the issues raised have been of two kinds. The first involves the estimation of inputs only, which is of course consistent with the need to allocate scarce resources (leading to the stipulation of a certain amount of contact time with students or a certain number of days' consultancy work in firms etc.). The second kind of response has been to estimate certain outputs, which of course requires agreement to be reached on the purpose of the activity and on the way in which its output is to be quantified. In this second case, which is constantly being developed and refined, these agreements (or conventions) are more or less negotiated compromises between what the actors, monitors and regulators of the transaction wish to adopt as the 'media for or evidence of activity in order to coordinate actions or reach compromises' (Gadrey, 1996), whether that coordination is contractual or not.

2.2. The necessary conventions on the product or output of service activities

The initial aim in analysing results and employee performance in service activities was to evaluate the *product* or output, just as productivity had been used in its time in manufacturing industry. Such evaluation is uncertain and makes coordination within activities more complex.

The reasons for these difficulties and complexities are to be found, firstly, in the nature of service activities themselves, particularly when the tasks to be carried out involve the provision of care, support, advice, knowledge transfer etc. The ill-defined scope of such activities creates difficulties in identifying their boundaries and volume. What is the vol-

ume and unit of output of education or home help services? A certain number of tasks carried out? A certain number of hours spent working? Merely posing these questions is sufficient to raise our awareness about the difficulties created by the distinction between production process and the result of that process, on the one hand, and the uncertainty and complexity surrounding employees' areas of responsibility, on the other, and the dead end to which the functional application of tools developed in the productivist (and volume-based) Fordist era leads, particularly when the activity in question is carried on as part of a service relationship³.

The volume-based approach that used to be embodied in the tools developed to measure industrial productivity [same volume produced with a reduced input], and on which the whole notion rested, is sometimes of no use or even counter-productive when what is to be captured (or what ought to be captured) is more a matter of gains *in the quality* of the goods and services produced and consumed. This applies in particular to activities in which the allotted tasks involve 'spending time with', 'doing with' in the case of apprenticeships, maintaining other people's independence, the provision of care etc. In searching for sources of industrial-style productivity gains, there is a serious risk that the real purpose of these tasks will be overlooked and that the activities will be organised in ways that turn out to be counter-productive⁴.

The unique nature of service activities also makes evaluations of any given activity and its results more complex⁵. By causing two protagonists to interact with each other, the service relationship makes it difficult to standardise actions; it is on such standardisation, of course, that measures of industrial productivity are based. These uncertain encounters mean that quality can vary over time, despite recurrent attempts to rationalise work organisation in order to reduce this variability. These attempts are embodied in norms, quality labels and so on.

As it became clear that there were forces seeking to drive up performance levels but that the task of committing employees to targets that could only be the result of fragile conventions was becoming increasingly uncertain and complex, so the foundations were laid for a new wage-labour nexus characterised by the following dialectic: (1) on the one hand, certain forces (generated, for example, by managers seeking to rationalise public action) are leading to the objectification of the result of an activity (which is also the numerator of the performance ratios), on the

assumption that this objectification can be achieved by putting in place batteries of quantified indicators; (2) on the other hand, other forces are tending to ensure that what is produced, particularly in services, can only be the result of joint negotiations, which works against the objectification of activities and hence of performance. Thus this position, which has been adopted by some professional groups and trade unions, for example, recognises that a multiplicity of conventions have become established through negotiation, thereby providing the foundation for a pluralistic approach to the evaluation of activities, of their results and hence of performance (see *infra*).

III. The individualisation of employment relationships

The development of the service economy is not the only factor in the rise to prominence of the concept of performance and the associated arrangements and systems. The general trend towards the individualisation of employment relationships has also played an important role in the development of coordination, incentive and monitoring systems. For example, the transition from hierarchical discipline to certain forms of autonomy and self-commitment has relied largely for its progression on the establishment of performance measurement and employee incentive systems. Individuals enjoy greater autonomy (which does not of course mean that they are free) in the allocation of these increasingly less undivided and routinised tasks as well as in carrying them out, and in many cases also take responsibility for providing the necessary technological and cognitive adaptability.

Employee commitment to the actions that make up the production process is the principal guarantee of product quality, and work intensification tends to be achieved by these performance systems, which have both incentivising and controlling effects. In its most highly developed form, management on the basis of individual performance involves the establishment of arrangements in which the remuneration for work done is no longer an institutional construct but the result of individualised relationships. The compensation paid to employees is conditional and determined within an incentive system (Coriat, 1990).

Just as there are dynamics confining the notion of skill to individuals (Lallement, 2007), so organisational efficiency is increasingly tending, from this point of view, to be reduced to the sum of individual performances, that is to the effort expended in order to exceed the minimum standard re-

quired to fill a post. These individual evaluations are supported by two types of arrangements:

- target-based contracts, or even individual performance improvement contracts, the aim of which is to increase employee commitment to work while avoiding continuous monitoring of their activities. This is the case with individual performance improvement contracts, which aim to remunerate doctors on the basis of their performance and their ability to adhere to the stipulated norms.

- comparative arrangements (internal honour boards, internal and external prize lists) in which what is required is not so much an output/input ratio as simply to be better than one's peers. *Benchmarking*, that is the systematic comparison of performance on the basis of figures, and the spotlighting of the leader as a model for others to follow (Bruno, 2009), further reinforce the system. This reduces the internal management of work organisation systems to a competition between individual capabilities. It is also an indirect means of allocating scarce resources.

However, there is a difficulty in establishing a link between individual performance and collective performance or the performance of an organisation. If used in a naive and generalised way, sophisticated individual performance tools may turn out to be counterproductive in organisations, whose performance can never be reduced merely to the sum of individual performances. This is because the individual rationality does not always produce the expected collective efficiency and because an organisation, particularly a public organisation operating in the public interest, may have a mission that cannot be readily broken down. This applies, for example, to targets for reducing educational inequalities or increasing coeducation, which are difficult to put in place simply by extending the use of individual evaluative tools relating to pupils or teachers. It also applies to targets for increasing individuals' healthy life expectancy, which cannot be met by putting in place a sophisticated regime of individualised target-based contracts for the medical profession.

The institutionalisation of individual performance and measurement systems has also benefited from the fragmentation of work groups and the inability in many cases of the groups that are in place to challenge these new technologies and to open up space for debate. Figures tend to objectify the meaning of work. They gradually come to substitute for it, as employees comply with contracts based on quantified targets, or are supposed to do

so. Quantification becomes a form of automatic control that paralyses individual and collective thinking. Such policies are also based on the assumption that the prescribed work is the same thing as the actual work done (Dejours, 2003).

IV. The drive for improved performance is legitimated by the need to evaluate public policies

New needs with regard to the coordination and evaluation of public policies have strengthened this trend towards the objectification of performance. The emergence and popularisation of the evaluation practices that have been applied to public policies in France since the mid-1980s has gone hand in hand with an unprecedented wave of 'modernisation' (i.e. control of expenditure) in the public services, which was already at work with the rationalisation of budget choices and of public action. One of the most visible symptoms in terms of work and employment once again has been the establishment of performance evaluation systems (sometimes remote from work situations), with the legitimacy of public action increasingly being determined by investigations of its 'effectiveness' and 'performance'.

By creating a distinction between three aspects of performance (known as the 3 Es: efficiency, effectiveness and economy), consultancy firms have propagated the notion that it is possible to evaluate the overall performance of public services by putting in place systems based to a large extent on those used to identify companies' overall performance. Governments have taken them over in the name of quality or effectiveness, of fairness or efficiency (Normand, 2006, p. 6).

Economy, firstly, is a financial ratio that compares direct outputs to costs. Efficiency is the ratio that is closest to the notion of productivity as used in manufacturing industry. It relates the direct results of service production to the inputs used; there is a risk here of confusion between the direct result and the inputs⁶ (that is the factors that are used in the production process, such as labour). Effectiveness compares the resources used with the long-term results or outcomes. This notion of effectiveness is more highly developed in activities (1) in which it is difficult to identify what exactly can be attributed to an employees' direct action and when account has to be taken of more indirect effects, linked in part to exogenous events, and (2) in which the evaluation of an action's effectiveness has a long time horizon (life expectancy, for example). In some

cases, this notion of (long-term) effectiveness loses its denominator and is no longer compared to the resources deployed in order to achieve it. It becomes a tool that has both an incentivising and an evaluative function and is used to lay down quantified targets. Certain practices linked to the so-called LOLF⁷ reform (the organic budget law adopted in 2001) are examples of this approach⁸. These targets may be individual or collective, informal or contractual. In most cases, this drive for improved performance has gradually laid the foundations for extending economic calculation into areas that had previously been spared, particularly education (Normand, 2006) and health care (Pierru, 2007).

In all cases, it is possible to imagine radically different ways of defining the economy, efficiency or effectiveness of a health care or educational establishment or of a police service. These three dimensions correspond to different aspects of what might constitute the 'performance' of individual and collective actions (financial, productivity in volume terms, long-term effectiveness). Once decoupled from the others, each one might also be an indication of the spaces for negotiation and debate that might be opened up: greater efficiency may lead to less effectiveness, just as greater economy is often incompatible with that same effectiveness, particularly if the time horizon for evaluating effectiveness is the long term.

V. The shift from multidimensional performance evaluation systems to performance figures: a performance revolution?

5.1. From performance to ratiocracy

Among codification systems, those that involve the attribution of a numerical value (indicators, international classification systems etc.) seem to be specific in nature (Ogien, 2010), since the power of the numbers wins out over individuals' ability to construct arguments and produce proof (of their good faith at work etc.). The power of the numbers seems to reduce the scope of the uncertainties that are going to be taken into account, albeit at the risk of neglecting what is essential.

The attribution of a numerical value to performance, as to other things, is based on and produces various forms of equivalency rating. Standardised forms of calculation and the results thereof (e.g. bibliometrics as a means of evaluating researchers' performance) tend to be extended at a

later date to a whole occupational sphere or even, through a process of mimetism or homology, to areas beyond that sphere. When the numerical value is not or ceases to be envisaged as a negotiable space open to debate, it begins to be perceived as cold and inhuman, brutal even. It reduces the ability to compare points of view that, on occasions in collective disputes, made it possible to consider the reasons why people commit themselves to work and the ways in which they might commit themselves properly.

A clear progression can be observed in the design and use of quantification tools (measures of individual performance, construction of batteries of *indicators*, drawing up of contracts based on *quantified* targets). The process of quantification involves a stage in which judgements are made, in order ultimately 'to attribute a value'. Thus any evaluation of performance in activities that are by their nature ill defined is the result of this difficult process of reconciliation. When it is the result of structured, well thought-out work, and supported by an examination of reality, performance evaluation may be validated. In some cases, however, it has become a blindly mechanical exercise, which leads to ratiocratic excesses.

Indeed, it is an excessive reliance on quantification that has led some human resource management systems to be characterised as 'ratiocratic'. The authority or legitimacy of these systems results from the expert knowledge that implicitly forms the basis of this ratiocracy but which also makes such systems increasingly virtually and disconnected from the hardships and ordeals of work. 'There is no longer any grounding in reality. It is claimed that objective, quantitative measurements can be made thanks to the divine and scientific individualised evaluation of performance. That is simply impossible. The balance between work and the results of work has been lost' (Dejours, 2003). Evaluation – and in particular evaluation of performance at work – has increasingly come to rely on numerical values, before which workers are enjoined to bow down: indicators, statistical data and quantified targets.

The numerical values attributed by management experts or economists gradually become detached from the hypotheses, uncertainties and conventions of all kinds, whether technical or value-based, on which their development was based. There is a risk, which cannot be ignored, that quantified indicators will be used in a simplistic way or that the process of attributing numerical values will become performative (Ogien, 2010). This gives rise to various types of drift. Thus policies on unemployment become policies on

unemployment figures (Data, 2009). Organisations seek to influence performance figures by adopting re-endogenisation strategies (Beauvallet, 2009) (– in some cases, for example, service users are carefully selected, both to reduce uncertainty and to increase immediate performance (cf. the policies adopted by certain secondary schools in France). In both the private and public sectors, work organisation eventually comes to be organised solely around statistics. Used in this way, numerical values are representations of the dominant vision that have obscured or even eliminated the opportunities for evaluations conducted from a variety of different viewpoints. Furthermore, far from objectifying results, these numerical values turn out rather to be tools for incentivising workers and intensifying work, for justifying career progression and for monitoring independent work, tools which, according to T. Coutrot (1990), are appropriate ones for the neo-liberal enterprise.

5.2. Performance as a means of coordinating action: a cartography of the four performance regimes

Although we have presented a linear and synchronous analysis of the evolution of the dominant model of performance, there are in fact a number of different performance worlds that either cohabit or constitute hybrid regimes.

As far as work and employment are concerned, the performance models seem to us to be structured by two major debates. One concerns the process whereby the performance regime is produced; the modes of evaluation reflect both the (imposed or negotiated) coordination and its institutional referencing: are the performance evaluation arrangements put in place in a planned or negotiated way? The other concerns the nature of the criteria used to measure and evaluate and whether they are one-dimensional or multi-dimensional.

5.3 Process leading to the production of performance regimes

The process of producing a performance regime can be negotiated or planned. Those that are planned form part of a complete contract, are constructed unilaterally and are characterised by numerical values that make it appear well designed and 'finished'. The veil of objectivity that the figures impart makes it more difficult to enter into debate about it or to resist it. A negotiated performance evaluation system, on the other hand, will take account of all the

parties involved and will be implemented on the basis of consultation, making it the result of compromise and, where appropriate, non-constraining.

5.4 One-dimensional or multidimensional performance criteria

Evaluation of these performances may be intended to produce either a one-dimensional or multidimensional indicator. Just as the evaluation of firms’ ‘overall performance’ is intended to assess its effectiveness in economic, social and environmental terms, so the aim in the case of the performance of public or private service activities is to envisage the possibility of a transition from a one-dimensional to a multi-criteria evaluation of the value added produced by the services provided (Gadrey, 1996). Thus a multi-criteria evaluation takes account not only of the multiplicity of these service activities and products but also of the fact that they are based on conventions. The main criteria that have traditionally been recognised fall within the scope of the technological, industrial, market, financial, domestic, civil, civic and even environmental ‘worlds’ (Boltanski, Thévenot, 1991; Salais, Storper, 1993).

It is certainly in service activities, the keystone of which is procedural rationality, that the reasons for using complex evaluations of effectiveness and performance are to be found. The reason for this is that the uncertainties, potential conflicts and contradictory analyses surrounding the representation of the product arise out of the complexity of the situations involved (e.g. health, education, consultancy, home help services etc.), the nature of the service relationship itself, which frequently requires mutual adjustments (users/employee) and the idiosyncrasy that is more or less inherent in this relationship. This characteristic is fundamental, in that it makes it impossible to standardise products and the way they are processed, even though such standardisation lies at the heart of efforts to measure performance. Despite attempts to homogenise ‘cases for treatment’ (homogeneous groups of patients, homogeneous groups of treatments, iso-resource groups) or, in some cases, to define ‘legitimate target groups’, this idiosyncrasy has not been brought under control.

5.5 Four performance regimes

The two disputed areas around which performance evaluation systems are structured⁹ serve as a basis for identifying four performance regimes, in the sense that performance has the status of a coordinating mechanism in a service

world (although increasing numbers of service activities are to be found in manufacturing firms) that can be individualised and quantified, as shown in the following table.

The evaluation is	one-dimensional <i>(the indicator functions as a cognitive simplifier)</i>	Multidimensional
The process is		
Planned <i>(and expressed in simple, quantified measures)</i>	Example: hourly productivity	Example: LOLF reform
Negotiated <i>(and expressed in a quantitative and/or qualitative multicriteria grid)</i>	Example: quantified target for a cadre commercial	Example: evaluation of organisations’ economic and social utility

The performance regime that is embodied in the notion of ‘industrial labour productivity’ should undoubtedly be added to the planned process/one-dimensional performance combination. The present-day equivalent of the ‘planned/multidimensional’ combination is the LOLF experiment¹⁰. The most paradigmatic case of the negotiated evaluation/multidimensional evaluation comes from the social and solidaristic economy which, encouraged by the public authorities, seeks to evaluate its economic and social performance in terms of its ‘economic and social usefulness’. The negotiated/individual regime is part of a distinctive contractual arrangement in which each agent, following negotiations, is assigned a target expressed in numerical terms, as is the case with some sales executives. In this way they can have some degree of control over the sales target which they then have to meet. Thus it is because of the particularity of services, especially public services, which uphold the public interest and have been defined over the course of time as part of a complex and tortuous process of social construction, that the evaluation of effectiveness and performance raises a number of complex issues.

5.6 Conclusion

The multiplicity of ways in which performance can be expressed is not simply, or even primarily, a question of the (hierarchical or spatial) level of analysis. It arises primarily out of the non-spontaneous way in which it is defined. To an even greater extent than productivity, which was conceived by and for an industrial world, performance ‘is the object of processes of social construction, of agreements on how to measure it and of conventions that may vary from one period to another and from one firm to another, depending on the collective organisation of work’ (Eymard

Duvernay, 1997). Thus it is within this multiplicity of worlds that serve to justify action, or even within competing value systems, that performance can be viewed from a variety of different points of view. From this perspective, analysis of public policy evaluation becomes, in retrospect, an heuristic of value to employment systems in general. After all, over and above the question of the measure to be used, it was when the notion of performance at work and in the world of work gained widespread acceptance that the 'status' or definition of work which, as is becoming increasingly clear, can be characterised as 'enforced autonomy', began to be questioned or renewed.

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Endnotes

1A shorter version of this contribution is to be published in the *Dictionnaire du Travail et de l'emploi*, coordinated by A. Bévort, A. Jobert, A. Mias, M. Lallement, ed. PUF, coll. Quadrige.

2*Dictionnaire étymologique et historique des anglicismes*, 1920, p. 105.

3This is also true for the concept of "economic growth", see (Gadrey, Jany-Catrice, 2006).

4Thus, in personal services for example, the time spent with elderly people is being reduced in some cases, in accordance with the principle of seeking sources of industrial-style productivity gains. While it is true that the care is being provided more quickly, it is also true that one of the main purposes of the service is being ignored, namely to support an elderly person in carrying out everyday activities at his or her own pace (see Devetter et al. 2009). Similar observations are regularly being made by those analysing the tasks carried out by hospital nurses.

5This is also found, incidentally, in certain industrial organisations engaged in 'made-to-measure mass' production.

6An example would be the number of hours of lessons provided by an educational establishment: are they to be regarded as input or direct outcome?

7Acronym for *Loi Organique relative aux Lois de Finances*.

8Thus in the police service there is a concern with the evolution of the crime rate, while in the immigration service the focus is on the number of removals actually carried out.

9Here we are following the approach adopted by Eymard-Duvernay (1997) in respect of 'action regimes' and transposing it

to the establishment of performance evaluation regimes in organisations.

10The supposed democratic nature of which is not in any way linked to the use of negotiated indicators; on the contrary, they are planned but linked to the accountability of the French Parliament.

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Unemployment, a Social Construction. Institutional Programs, Experiences and Meanings in a Comparative Perspective

By **Nadya Araujo Guimarães, Didier Demazière, Helen Hirata, Kurumi Sugita**

A tradition of sociological research that goes back to the 1930s (Lazarsfeld et al., 1932) has constantly pointed out the diversity of reactions in the face of job deprivation and the consequent differences in the life stories of the persons concerned. In this sense, the category of unemployment – which differs from professional activity in that it implies being deprived of that activity, and from professional inactivity in that it implies actively seeking employment – can sustain a variety of interpretations: the people categorized as unemployed attribute various significations to their own situation and adhere to different sorts of identifications.

Nevertheless, that diversity of experiences does not express how near or far the “virtuous” unemployed person is from the social norm. It is rather a sign of the radically problematic nature of the situation, which forces those living it to improvise solutions outside the institutional programs (Douglas, 1986). This way of seeing the question is based on the fact that unemployment tends to lose its institutionalized significance, because the program that sustains it (i.e. a quick exit from temporary job loss made even quicker by an active job search) is not working well any more. Individuals can therefore no longer find sufficient resources in that rationale to make their situation meaningful. They must work out their own interpretation and invent new meanings.

The reason for this state of affairs is that unemployment is markedly different from both inactivity and employment. These two can be considered as social status. In contrast, unemployment is a problematic situation rather than a social status (Schnapper, 1989): it is by definition transitory and thus of necessity must cease. It also bears the stamp of deprivation and can only be defined by the negative, is deemed inferior and demands reparation, is affected by devaluation and calls for a change. Thus, being unemployed *ipso facto* means being turned towards the exit, and commanded to find a way out. Becoming unemployed

means wanting to be unemployed no longer, having to stop being unemployed. No social obligation or inner pressures characterize the opposite situations represented by employment and inactivity. For contrary to these, unemployment is not a reference. This is exactly why it poses a problem.

This characteristic is widely shared by the three countries examined here, France, Japan and Brazil, because in each one, work – understood as the paid participation in the production of goods and services – is the main lever in the distribution of wealth, albeit the codifications of labor relations and workers’ rights and benefits are very disparate.

Actually, current labor laws in France, Japan and Brazil are quite different, whether we look at the typical work contract, the range of forms of legal contracts, the relative importance of atypical contracts, the spreading of formal labor relations, etc. Such diversity is no less prevalent in the legal categorizations of unemployment, among the institutions responsible for handling it, in defining the system of indemnities and assistance for those who have lost their job, in a word, in the construction of a social status for the unemployed, together with rights and obligations.

On this score, if one sets out to evaluate to what extent unemployment has been institutionalized – by the existence of unemployment insurance schemes, the number of mechanisms in place to help a person get back to work, the readiness to register in an employment agency or the networks of social protection – it seems clear that Brazil is where such an institutionalization of unemployment is the feeblest, and in France – where unemployment has durably settled – that it is the strongest and most ancient, while it is more recent and less developed in Japan. But even in the French case, such considerable institutionalization implies a fragile and problematic situation for the unemployed, a fact that is even more pronounced in the other two countries.

For indeed, support and protection are granted for only limited and shorter periods of time, compensation systems

are deteriorating both from the point of view of the sums allocated and of their duration, accessing the mechanisms of aid and assistance are invariably selective, controls and penalties are getting more severe. The trend over the past decades has always gone in the same direction: administrative action for the unemployed has included a larger degree of control and the legitimacy it derives from that control has been reduced proportionally to the financial costs incurred for the national and local communities (Demazière, 2003).

A major consequence of the problematic nature of being unemployed is that it implies the individuals concerned must involve themselves in specific occupations intended to find a way out of the situation, i.e. to invent a new future, project oneself into a different situation, into employment.

For that reason, the job search is the key factor in being unemployed for it is only by obtaining employment that one can escape unemployment. The job search is also at the heart of the representations characterizing unemployment: *looking* for work is generally considered more apposite to the state of being unemployed than *not having work*. It is more or less institutionalized according to the social context, but is nearly always part of the exchange systems involving the unemployed, as the counterpart of the compensations they receive, an inescapable obligation.

But the job search is not only a rational investment in a strategy to end the period of unemployment, but also a magic symbol meant to reduce the insecurity that brands all unemployment. By searching, one is simply proving that one is not a prisoner of unemployment, that it is but a transitory state, meaning that insecurity can be exorcized.

More than a way of living a social status, the experience of unemployment means confronting that uncertainty, and leads one to develop ways of getting rid of it. Looking for work is one of its most obvious manifestations. This point of view echoes the conclusions of other investigations, which repeatedly bring home the fact that unemployment is a private and personal tragedy, destabilizing identities, breeding guilt and upsetting one's world-view, and which, on top of all the foregoing, distends social links, throws one's life off balance, disrupts established solidarities, and leads in many cases to disaffiliation (Ledrut, 1966; Schnapper, 1981; Castel, 1995).

The phenomenon thus possesses a meaning, or more exactly a double meaning, since it spreads out in a certain direction that becomes clear little by little and may (or may not) approximate employment, and since it takes on meanings that also transpire more or less rapidly. Depending on the direction and signification it is given, the job search will occupy a different position, either central or marginal, and other reactions may also be observed. In all cases, however, unemployment may be considered as the locus of a biographical elaboration, both *reflexive*, because it mobilizes the relation between a subject and his or her experiences, and *relational*, because it is linked to the actions of others.

That is the biographical experience we wish to explore here. Our hypothesis is that this experience is wrought of insecurity, instability, uncertainty, and that these elements must be limited, contained and reduced. According to the society considered, various institutions, regulations, mechanisms, contribute to the process and play the role of shock absorber. But that does not erase the insecurity that in any case remains the crucial part of the experience of being jobless. Thus – and that is one of the consequences of our hypothesis – the biographical experience of unemployment is fraught with tension and ambivalence, as may be seen in the biographical interviews carried out with unemployed persons.

To explore the unemployment experience, we began by carrying out sample surveys in the metropolitan areas of Paris, São Paulo and Tokyo followed up by in-depth interviews with a subsample of about two hundred unemployed persons.¹

The populations affected by unemployment do not make up a single social category, for though the probability of becoming unemployed varies considerably according to the level of education, professional training and status, age, sex, ethnic attributes, etc., it is still true that unemployment affects all the different categories. This fluctuates according to the country being considered and inequality in the face of unemployment also varies in each, but in every case, the unemployed make up a multifarious ensemble, as we have seen above (Pignoni, Sugita, Montagner, 2006).

Carrying out an international comparison founded even partially on biographical interviews, as ours is here, confronts the researcher with daunting problems, due to the many various and heterogeneous elements the corpus

contains. A comparison is exposed to the classical difficulties connected to the way the biographical interviews are used. If one can admit that the subjective meaning of a discourse is not reducible to its linguistic significance, clearly then it is not enough to be able to understand a language in order to grasp what a person meant to say (Demazière, Dubar, 1997). Within a single linguistic universe, meaning does not boil down to the words employed, and the sociological analysis of an interview cannot simply consist in noting similarities in vocabulary. Those difficulties are even greater when several languages are involved, as is the case here, since interviewing was done in Brazilian Portuguese, French and Japanese. How can these corpora of discourses recorded in different languages be compared at all, given that each already contains considerable internal variation? How can one decide that the signification attributed to the situation of unemployment in a Japanese interview is close, or even similar, to the one expressed in a Brazilian or in a French discourse?2

This paper explores our research results and presents some pathways to overcome analytical difficulties in approaching unemployment as a biographical experience. This approach clarifies the reflexive dimension of individual behaviour in labor market competition; it also illustrates the complexity of social processes underlying the matching between labor force demand and supply under different employment systems and cultural contexts.

1. Shared regularities and significations: exploring a proximity hypothesis

Unemployment breaks up into a myriad of varied interpretations in each of the countries that are not reducible one to the other: what does an unemployed person who, throughout his or her interview, insisted on the personal project that will guarantee getting a good position in the labor market, have in common with the one who clamors that professional horizons are totally obscured and that life is hardly worth living, or again the persons who handle the difficulties to go back to work by giving meanings to alternative activities with ambiguous status, or yet again those who are actively searching for work and convinced their efforts will be crowned with success in the end?

A situation coded in an identical manner – “unemployment” – is thus categorized in very different ways by those who have to face it in real life. This diversity invites us to delve further into a set of questions, exploring a proximity hypothesis: do these heterogeneous elements have certain

traits in common, do they share certain polarities, are they structured in a similar fashion, is it possible to identify certain cross-national figures?

The proximity hypothesis can be borne out by placing side by side and comparing those discourses collected in each of the countries that might, beyond the differences of language, have the same signification.

Such attempts to pool the discourses together can be easily illustrated by presenting and discussing all those definitions of the situation (of unemployment) that hinged on the **job search**. That interpretation of unemployment is found in interviews in the three countries, even though similarity does not mean there are no subtle differences. In these discourses, the job search is related as being the person's main activity, giving meaning to their real-life situation, occupying all their waking hours, and leads to their vision of their future employment. It is a discourse that dilutes unemployment in the activity of searching for work and in the competition to succeed. It also presents a few specific traits according to the country.

In the French case, the emblematic terms and colloquial expressions were “I've got my plan for finding a job,” “I know where I'm going,” “I've understood one needs to hang on”, “I don't ask, I offer what I know how to do, it's very important.”

In Japan, we found rather the following: “I'm looking for a company that will allow me to further my career,” “I must protect my career plan,” “according to private agencies, my experience is excellent,” “dynamic and competent people are registered on the Internet, like I am.”

While in Brazil, one finds: “my CV is on the Internet,” “that's how I see myself,” “I've put myself on unemployment,” “it's not possible that I can't find anything.”

These short excerpts are naturally not interchangeable. However, one can immediately note that, associated to action verbs, the subject is, if not systematically present, omnipresent, whether explicitly or not. *The subject of the utterance is staged in a position of mastery, in control of his/her situation and itinerary.* Sharing this characteristic does not erase the particularities of the discourses, but it does make them strongly specific, compared to the rest of the corpus.

Thus, it appears that in France, the outstanding point is the claim that the job search is being carried out in a profes-

sional manner, sustained by the belief that sooner or later there will be results, and by experiences guaranteeing that one has gone through apprenticeships and acquired certain competences. This refrain is linked to the massive apparatus, mainly public, that provide assistance in the job search, whether through professional assessments, training periods, guidance interviews, or lessons on techniques of searching for employment: such help and assistance have become the vehicle transmitting the norms of behavior that socialize the unemployed, and are the vectors for spreading a compelling model that puts them under pressure.

In Japan, seeking employment is presented as a very rational act, planned and somehow optimized, and what is more, aimed at a clearly defined objective: not just finding a job but promoting one's career. The job search is thus the continuation and anticipation of one's (past and future) career, and mastering it somehow obliterates the interruption caused by unemployment. This structure reflects the continuous and upwardly mobile model of the professional career. It suggests the implicitly normative injunction to remain competitive and dynamic (or become competitive and dynamic once again) that does not lead, however, to socializing mechanisms capable of supporting the unemployed during their job search.

In Brazil, looking for work also gets people on their feet, and aims at picking up the threads of an interrupted professional itinerary. Defining oneself as a job seeker means first and foremost explaining one's situation as being the result of a personal decision, not one that had to be passively endured, which takes the bite out of being called unemployed. It must be added that projecting oneself into the future, into a well-defined professional future, is very prominent here: searching for employment means both having an aim suited to one's past experiences and being able to maintain oneself in the formal labor market, even if for the time being one only manages to find an odd job (*bico*).

An ensemble of similar meanings emerges thus around this refusal to define oneself as unemployed and the production of an argument focalized around the job search. It seems to provide a sort of escape from unemployment, a resource enabling one to define oneself otherwise. Searching actively, or at least claiming to do so, means defining oneself as an active person, far removed from the common fate of the unemployed, and resembling, when all is said and done, the employed persons, those who have work. It also means positioning oneself above the mass of the unemployed, keeping aloof and feeling somewhat superior to

the ordinary unemployed person, by reasserting more or less explicitly and bluntly the principle of competition that structures the labor market, and showing a certain self-confidence stemming from the idea that one is still competitive in the job hunt.

Nevertheless, this is not the only way to express the experience of this instable situation. Our approach identified another figure, corresponding to definitions of the situation built around what we have called *discouragement*. This interpretation is common to a certain number of interviews carried out in the three countries. In this case, the definition of the situation is permeated by *fatalism, coupled with the incapacity to change the situation, build a future, and get a job*. As the vain attempts to escape unemployment pile up, job deprivation is experienced as being more and more unbearable and insurmountable. When put side by side, the expressions used in the three countries are very akin to one another; all reflect powerlessness and despair.

One can find, in France: "I see everything in black," "can you believe that nothing is to be done any more?" "I've tried everything but in the end I've got nothing to show for it," "I've been swallowed up, I don't see how I can get out of it."

In Japan: "I can't do anything," "I have nothing to sell," "I can't stand it any longer," "I've lost my sense of direction, I don't know where to go from here," "I cannot want to move anymore;"

In Brazil: "I'd rather die," "I don't even have a job in the street," "what can I do?"

All these phrases also place the subject in the center but differently: *the subject of the enunciation is still very much present, but not staged as an active subject, on the contrary, rather as the object*, the one that must bear all the devastating and destructive effects of the situation, and feel how hemmed in he or she is with respect to his/her capacity to act. The interviews tend to be shorter than average, choppy as well, as if putting the situations into words were more painful here.

In France, the corresponding discourses are strongly marked by a blow-by-blow description of the job search and more particularly of the repeated failures. The numerous setbacks are so intrusive, insurmountable and threatening that they actually become the source of the definition of the situation. Above all, these setbacks are de-

nounced as unfair, arbitrary, revolting, and the employers are made responsible because they hire applying some obscure, mechanical favoritism or illicit and discriminatory criteria. In this framework, getting back to work appears more and more unlikely, or even impossible, no alternative whatever having emerged that might allow a person to escape from the slow descent into pauperization, in some cases mentioned explicitly.

In Japan, discouragement is also compounded by the difficulties encountered during the job search. The sense of injustice is not absent from the ways of speaking of these difficulties, but the expression of a personal helplessness is more prevalent than the denunciation of any external agents, such as the companies, in particular, that could be held responsible. The interviews illustrate a process whereby the narrator is progressively and quite ineluctably hemmed in and reduced to a state of inertia. It appears quite evident that, according to a reflex mechanism that makes the individual responsible for his/her situation, the causes for their failure have been considerably internalized, even if in some cases the economic context is given as an explanation.

In Brazil, discouragement is strongly manifested by the very great difficulty to put things into words: the discourses are brief and not very developed, as if verbalizing one's situation were unbearable, to the point that the narrative may be interrupted, sometimes definitively, by sobs and tears. We nevertheless found the same basic equation as in the other countries, i.e. that the individual's super-human efforts were put on a parallel with puny or non-existent results. The effect of this impasse is an identical helplessness, which may lead to a question of life and death.

A whole set of cross-national significations emerges, based on the deterioration of the situation, caused by the accumulation of failure in the job search: first, the individuals stop searching, for that activity has become subjectively senseless, then they feel trapped in a dead end, and can no longer even imagine an alternative future that might allow them to avoid seeing their situation go steadily downhill. In this case, unemployment is so intrusive and omnipresent, it has saturated the situations and the temporalities to such a point, that the individuals feel completely lost and uprooted. They can no longer involve themselves in acts or conceive of perspectives that might allow them to find a way out. The only conceivable exit is the probable further deterioration of their situation: an eviction from the status of unemployment, in the worst possible way, which is already so advanced and worrisome

that they no longer even want to call themselves unemployed.

A third type of interpretation emerged from our comparative analysis of the interviews collected in the three countries. It concerns those discourses that also stress forms of *withdrawal* from employment, but this time by giving value to activities that, though they are numerous and varied, all have in common the fact they support a sense of social utility and provide a basis for redefining the situation: *they erase unemployment, lastingly if not permanently, by eclipsing the job search and filling all their spare time*. Beyond this, they are considered to be work of a sort, different from their previous professional activity, and thus representing a sort of reconversion.

Though the nature of such activities differs considerably from one country to the next, the expressions used to characterize and qualify them are quite similar and contribute to giving them nearly the same tonality.

We find in the French interviews phrases such as "with time, I got reorganized," "part unemployment, part work, you know," "I'm sort of on the margins now," "do small favors for people," "do a little bit more, but it wasn't planned," "it became more and more important."

The corresponding expressions in the Japanese interviews were: "I have obligations in the community," "I'm involved now," "for me it's more important than the job I had," "I don't really need to work".

In the Brazilian interviews, similar expressions: "I feel self-fulfilled," "never felt so useful before," "I saw I could be more useful," "there are people who need me, I can feel it."

In France, the activities that give rise to this sort of experience share the fact they generate hardly any sort of income or monetary resource to speak of, but are the source of a sense of social utility and recognition. Whether they are engaged in them as volunteers, members of an association, or militants, the persons feel integrated in a community that pays out symbolic retribution in exchange for their dedication. They also provide an escape from the difficulties encountered on the labor market and give rise to alternative universes of self-investment. These activities become all the more attractive as the persons concerned are able to consider definitively retiring from their profession in the not-so-distant future and as they benefit from minimal material security. The activities then are put on a

par with work, and are considered a positive alternative to the employment lost.

In Japan, such activities are also positioned outside the field of employment and concern individuals who declare they don't need to work, who can survive without a salary. These activities are partly linked to accepting responsibility for certain roles within the local community and partly to domestic agricultural production with an eye to becoming self-sufficient. They illustrate an at least temporary withdrawal from professional activity but are sometimes associated with an active and persistent, albeit discontinuous, job search. They sketch the contours of a problematic and hybrid situation, characterized by an investment in alternate occupations that marks an attempt to escape unemployment, rather than a renunciation of employment.

In Brazil, these activities are, in similar fashion, a resource permitting people to combat the specter of unemployment and define their situation more positively. They are also more clearly substitutes for employment, in a social context where work is often less codified and formalized than in the other two countries. These activities are defined as being useful to others but sometimes resemble service relations that do not exclude a mercantile dimension. They can then be considered like real work and stand in for the employment that was lost.

Beyond certain differences, a set of cross-national significations appears, pointing to the fact that such alternative activities allow the person to reduce the tension between employment and unemployment. First, they correspond to a set of relatively long-term and long-lasting altruistic practices, fit into an organized ensemble of division of labor, and are the vectors of an enhanced social standing. They restructure the daily lives of the people involved, because they frequently correspond to a serious reorganization of their private universe. They also appear as a totally new way of life when compared with their previous existence and often compete with their professional activity. These alternative activities are thus both subjective and social resources allowing a person to anticipate the future as disconnected from employment and, above all, set job deprivation aside and de facto withdraw from the unemployment situation.

2. A common matrix and a schematization

The three figures described in the previous section exemplify our comparative approach by treating and bringing together the biographical interviews that were carried out to clarify the experience of unemployment. Each figure condenses a particular signification attributed to job deprivation: the first attaches value to the *job search* itself and rejects identification with the unemployed; the second meets up with *discouragement* due to the competition in the job market and ends up by withdrawing from the category of the unemployed; the third invests in *alternative activities* that mark and assert one's positive retiring from the situation of unemployment. Each interpretation is thus a declension of a typical and specific figure of unemployment. All have as their common denominator the attempt to cope as well as possible with the intrinsic insecurity accompanying job deprivation and to trace definitions of the situation irreducible to the category of unemployed.

Analyzing the material we realised that the interviews were not easy to distribute among univocal categories, even ideal-typical ones. These interviews were efforts to put into words and make sense of a problematic biographical experience, and discourses aimed at finding a way out of the unemployment dilemma cannot be reduced to projections into employment or clear-cut anticipations. Each individual is holding up as best they can under a negative ordeal and trying to come up with a difficult and necessarily improvised response in order to survive, i.e. in order both to access an alternative and more respectable social status, and avoid being blocked and reduced to that problematic situation. It is thus obvious that the discourses are filled with a tension and ambivalence, simultaneously translating the need to escape unemployment and the uncertainty of being able to do so. Such factors cannot be transformed into univocal, fixed, watertight, analytical categories, as ideal-typical ones might be.

Rather than attempt to identify and isolate fixed points that crystallize a set of significations, we preferred to signpost and outline a *space of meanings* in which the discourses can expand and sort themselves out. With this in mind, we built a matrix of significations in order to account for the diversity of the ways this biographical experience is put into words. In other words, we proposed to unfold the variety of figures of unemployment rather than condense them into a few typical figures. What is at stake in our approach is the way the two sorts of categories work to-

gether: the *indigenous categories*, which are the raw material of the research, and the *analytical categories*, that allow putting our results into a sociological form. Therefore, though translating the ones into the others implies a series of reductions, it seemed essential to us to account as far as possible for the discursive dynamics and tensions noted in the interviews. To achieve this, we had to adopt an approach letting the figures of unemployment unravel progressively, i.e. preserve the diversity observed, identify the differentiations and discrepancies, and account for the expansions and displacements. That is why we undertook to draw a matrix of meanings, indicate its components, and identify its structure.

Describing the characteristics of the common matrix that organize a space where the biographical ordeal of unemployment can be deployed, means grasping what constitutes that ordeal, what goes into building, modulating and redirecting it, what can eventually reconvert it. We proceeded progressively and repeatedly, confronting and comparing the interviews taken from the corpus of each country, to allow the categories to emerge.

Four poles were thus identified:

- Setting up, participating in, and creating what may be called social activities, which cover diverse practices (*unemployment as an overwhelming ordeal*);
- The heavy burden of job deprivation dominates and tends to eliminate every other element of the situation (*unemployment as an ordeal of emptiness*);
- The attraction for a professional occupation, corresponding to a status of employment and a variety of logics of accessibility (*unemployment as an ordeal to overcome*);
- Projecting ways of withdrawing from activity, which can be very diverse, temporary or definitive, paid or unpaid, hinging or not on a recognized social status (*unemployment as an ordeal to avoid*).

These four poles do not cover all the significations of unemployment, as ideal-types would. They don't even exhaust all the possibilities, but at least they organize a space in which to inscribe them. Though each pole is homogeneous from the point of view of what opposes it to its symmetrical vis-à-vis – activities *versus* deprivation, professional occupation vs. withdrawal from activity –, it is also marked by an internal ambivalence which we were able to

identify, describe and name as we went along, according to a reiterative approach as previously applied.

Thus, those non-professional activities that turn unemployment into an overwhelming ordeal can be invested as resources to prepare one's progressive *withdrawal from activity*, putting employment at a distance, or else as means to implement a *professional project*. Their signification is somehow slippery, sliding either towards a transformation of those activities into official and remunerated professional employment, or towards being progressively converted into occupations which are substitutes for work.

Similarly, being deprived of the possibility to work, which marks unemployment as an empty ordeal, can deteriorate into feelings of being trapped and paralyzingly resigned, or else into an intense or even exclusive investment in a *job search* that becomes an obsession. Its signification can espouse the form of a mobilization turned towards competition in the labor market, or, on the contrary, of a *discouragement* leading to or preparing a withdrawal from activity.

The perspective of obtaining employment that formats unemployment as an ordeal to overcome, can take the shape of a *personal project* enlarging or transforming one's personal investments in certain activities, or of a reasoned strategy for prospecting in the labor market, a discipline more or less learned during the period of unemployment. Its significance extends in two directions: the elaboration and realization of preferences based on one's previous itinerary or the practice of certain activities, or, at the other extreme, bringing up to date and settling into a role defined by the job search.

Finally, withdrawing from activity that makes unemployment into an ordeal to avoid can be prepared by investing in occupations that progressively appear like supportable *alternatives* to employment, or may be the continuation of a spiral of *discouragement* that leads to giving up, as if one were somehow forced to. Here again, its signification forks in two directions, since it can either turn towards a reconversion giving increasing importance to peripheral activities, or towards an eviction from the labor market after a series of failures.

These tensions or states of ambivalence authorize connecting the different interpretations of unemployment thus described, in such a way as to organize a space of meanings in which each interview can be situated. That is what

we have done in Figure 1 (see Appendix: Figures) presenting the matrix of significations of unemployment.

What immediately stands out when observing this figure concerns the way the interviews occupy the matrix; they are completely spread out, and this dispersion concerns all three countries. However, the interviews are not disseminated in exactly the same way in each corpus (Brazilian, French, Japanese) and, given this framework for the analysis we must identify the differences and similarities that mark the biographical experience of unemployment in each of the three countries.

3. Differences: subjective worlds and normative constraints

Our last questioning then concerns the differences between the three countries. Decomposing the proposed schematization into three national diagrams, i.e. accounting for the positions of the interviews of each country within their common matrix, directly allows us to formulate a few comparative observations.

In the French case (Figure 2, see Appendix: Figures), the squares (each representing an interview) are concentrated on the left and right-hand sides of the schema, and occupy each time both the high and low positions.

In the Japanese case (Figure 3, see Appendix: Figures), the triangles fall almost exclusively into the lower part of the graph, on the left as well as on the right-hand side.

In the Brazilian case (Figure 4, see Appendix: Figures), the distribution is also unbalanced, but following other modalities: a very dense cluster of circles can be seen in the upper, central part of the graph, while a smaller cluster occupies the lower right-hand corner.

The distributions are thus specific to each country. But in the three cases, a significant number of interviews are concentrated in the lower right-hand angle of the graph, where one makes out a very dense and very international cluster as we could see first on Figure 1. This zone covers what we have called discouragement in the previous section. There the corresponding interpretations of the unemployment situation are those earmarked by inactivity in the sense of withdrawing from, or even dropping everything connected to unemployment, such as a job search or any alternative activity that could help liberate oneself from that status. The persons concerned feel trapped in a dead

end from which they cannot imagine any way out or any relief. They are, so to speak, crushed by a ubiquitous unemployment against which (as they express) it has become impossible to fight and which, for the same reasons, has become painful, absurd and unjust. The most extreme form of such an interpretation, marked by despair and misery, consists in the mention, sometimes only insinuated, of a fateful ending, such as suicide or death.

This form of experience appears as the most extreme way to live unemployment, as an exacerbating way of interpreting the situation. It also corresponds to the most negative modulations among the ensemble of discourses collected during our survey. It echoes, too, the teachings of the oldest sociological investigations on unemployment, which stressed how much that condition meant humiliation, social decline, withdrawal from all participation in collective life (Lazarsfeld, 1932; Ledrut, 1966). But at the same time, that form of experience is not all-pervasive and does not exhaust all the discourses we heard from unemployed persons, nor does it define the totality of our corpus of interviews, far from it.

The observations accompanying the schemas (Figures 2, 3 and 4) lead us to hypothesize that this form represents *the negative pole of a universe of significations proper to each country*, that it represents the reverse of each country's dominant experience, crystallizing the non accomplishment of a social and normative reference specific to each.

The differences among countries can then be studied following the tensions between the variable referential poles (specific to each country) and that one identical negative pole. If our hypothesis is correct, each context is marked by specific tensions, which translate the problematic and uncertain nature of the unemployment experience.

Nevertheless, those references must not be reduced to subjective experiences, or, on the other hand, to the cultural models which frame those individual experiences. They must be considered as the joint product of both institutional structures and subjective experiences, of the strategies of individual actors and collective regulations, of subjective worlds and normative constraints. For the frames of reference of professional life, activity and work are the result of interaction between structural dynamics and subjective logics, and consequently so are the significations of unemployment. We must therefore now go into those frames of reference, and, returning to our data,

attempt to explain them by considering them as configurations rather than national models.

In France: socializing the responses

Broadly speaking, the French interviews fall into two main sections, situated on the margins to the left and right of the schema (as we can see in Figure 2). The greatest number gathers close to the pole we have called *professional work*, corresponding to a categorization of unemployment as an ordeal to be overcome. In this area, unemployment is in a relation of proximity to employment. That proximity has several different significations: it means all at once the projection into future employment and the anticipation of coming out of the state of unemployment, the personal mobilization in activities connected to the job search, and involvement in processes and techniques limiting the distance that separates one from work. A plurality of ways of being present on the labor market, therefore, which concretely means going out to look for work, carrying out a professional project, accessing transitory statuses (training, short-term contracts, etc.). The definitions of the situation are framed by the employment/unemployment pair, while being irresistibly attracted towards employment, mainly because of one's involvement in practices that may jell into intermediate positions, in complete contrast with discouragement. On the opposite side, but in the upper part of the schema, a considerably smaller number of interviews are drawn towards the reverse pole, i.e. withdrawal from activity, and towards its modulation of alternative occupations. That situation corresponds to taking one's distance from unemployment, but in an opposite direction: withdrawal from the labor market, supported here too by the possibility of obtaining one of the substitute occupations contained in a more or less codified status.

This goes to show the extent to which the subjective logics aimed at avoiding unemployment (by inactivity), or on the contrary aimed at overcoming it (by obtaining employment) are supervised and validated by the institutional norms in France. In the French context, public policy in the battle against unemployment multiply the particular and intermediate statuses between standard employment and unemployment: training periods or assisted contracts cause unemployed people to settle into positions that cannot be reduced to unemployment but that do not assimilate them in the workforce either. Parallel to this, but pointed in the contrary direction, a good number of systems aiming at anticipating the withdrawal from professional life (early retirement, being exempted from the job search, a more

favorable system of indemnities for the oldest unemployed) sketch potential alternatives and bestow legitimacy to aspiration towards the end of one's professional life. More generally, the already ancient presence of an imposing network of local public employment agencies and, above all, the repeated campaigns of follow-up of the unemployed and the intense service distribution which goes with them (scheduled interviews, assessment sessions, assistance with the job search, personalized follow-ups, orientation and definition of professional projects, aptitude tests), contribute to lending a specific consistency to the unemployment situation, filling in the space left empty by job deprivation. In short, the unemployed are not left to themselves as if plunged totally alone into the fray. They are supervised and accompanied and often invited or even summoned to participate in the measures and systems set up to help them reintegrate the working world. That strong institutionalization of unemployment lends a specific texture to the experience and channels the ways the situations are interpreted.

Institutionalization is instrumental in tightening the links between employment and unemployment, explicitly declared to be the principal objective of the program helping people to access employment, and moreover, it formats the entire experience of unemployment. Firstly, because the latter becomes a shared experience (an object of public discourse and action) which thereby is not attributed solely to the individual's responsibility. Next, the measures included in the recently named Active Employment Policy carry normative demands that influence the unemployment experience. For instance, requiring the unemployed person to define a personal project, considered a factor in obtaining work, and assimilating the job-seekers' competences, especially in their investment in relational networks, participate in the definition of modes of conduct marked by individualization but also, and simultaneously, backed by the organized distribution of resources. In a complementary manner, institutionalization also functions according to a logic of selection that more or less firmly eliminates certain unemployed people from the labor market, particularly the oldest ones. But here again, that eviction is socialized, i.e. backed up by protective and compensatory statuses.

In such a structural framework, the French unemployed are not left to face their ordeal alone, whether to overcome it or to avoid it. This does not exclude the fact that unemployed people may inexorably slide towards the pole of discouragement, particularly because the mechanisms have

not been effective enough in preventing the rise and persistence of long-term unemployment. Nevertheless, those mechanisms support a referential signification of unemployment, which is that the ordeal is alleviated by the institutions and accompanied by statuses and compensations many and varied, to adapt it as well as possible to the individuals and shorten its duration. The importance of this normative model explains why most of the interviews conducted in France fall into the first cluster, drawn towards the pole of professional work and stretching out vertically, and into the second one, attracted towards the pole of withdrawal from activity and also stretching out vertically. Discouragement here thus reflects the failure of a two-part institutional program: one part seeking to accompany the unemployed towards reintegrating the working world while educating them for the job search, on one hand, the other part giving access to a status of inactivity connected to social protection (invalidity or social assistance) or indicating the end of professional activity (early retirement), on the other hand. We met a few cases that do not fit into this picture and will return to them later.

In Japan: individual and personal responsibility

The distribution of the Japanese interviews is very uneven, since nearly all of them crowd into the lower part of the schema (see Figure 3). It signifies that the force of attraction of *job deprivation*, corresponding to a conception of unemployment as an ordeal of emptiness, scatters the interviews over the entire continuum, from the job search to discouragement. The latter thus acts as the negation of the former, which appears as the referential norm: being unemployed in Japan means first of all starting to look for work, getting involved in that activity and focalizing on the quest for new employment. It is an eloquent statement on the fact that the employment/unemployment pair is the reference that frames the subjective significations that a person might elaborate on and express. That is the reason why they cannot define their situation from the viewpoint of activities, not even from strategies of investing in alternative occupations (the nearly empty upper right-hand corner of the schema bears this out).

Such subjective constructs are supported and reinforced by the institutional norms in Japan. Thus, aside from the role of housewife and mother, which lends validity to a woman's at least temporary withdrawal from the labor market – and even that only tacitly – there is hardly any alternative status to unemployment (and to employment) that might represent a resource with which to elaborate

other interpretations of the situation. In the same vein, the situations are codified in a sufficiently rigid and formal manner to make it difficult, or even to prohibit, any improvisation of the intermediary situations that could be invented and designed by persons faced by unemployment.

Given this configuration, what are the outstanding traits of the reference experience of unemployment in Japan? The combination of job deprivation with the job search is its basis, and it is also an exclusive framework in the sense that socially legitimate alternatives are practically non-existent. This normative context is made even more severe by the rarity of collective responsibility for unemployment, which forces individuals to face it quite alone, makes them responsible for the unfortunate transformation of their own situation, causing them to internalize all the weight of unemployment. Many factors enter into the birth of this configuration: the fact that unemployment is relatively recent in Japan and the weak responsibility on the part of the State, now trying to replace the large firms which regulated the surplus of manpower internally, the lack of public measures to ease and accompany job deprivation, the weakness of the indemnities system and social protection. To all this must be added the fact that it is not considered advantageous or even decent to use one's relational networks for the job search and their relative ineffectiveness when looking for work: advertising work offers, especially atypical ones, goes mainly through the press, to the detriment of the diffusion of information through networks, the obligations and indebtedness created by having recourse to social networks are degrading for the person who asks for the favor. Furthermore, once cut from the professional environment, unemployed persons are isolated from social networks, and their families are left alone to manage their financial difficulties resulting from unemployment.

In such a structural framework, the Japanese unemployed are to a large extent left to their own devices. Of course they are not completely cut off from the public system, reticulated supports, or extended solidarities, but these measures of accompaniment are not sufficient resources to solve the problem of unemployment, at best they function as active shock absorbers. They cannot erase the referential signification of unemployment, according to which that ordeal must be overcome by a personal effort, the only factor capable of bringing success in the competition on the labor market. The weight of this normative model explains why most of the interviews carried out in Japan seem to be aligned between the pole of job search, corre-

sponding to the referential program that every unemployed person is supposed to follow, and the pole of discouragement corresponding to the inability to realize that program and to the various and powerful processes that cause their situation to decline. Naturally, a few cases do not fall into this scheme and we will return to them below, but this structure nevertheless has a strong magnetic pull.

In Brazil: an organized making do

The distribution of the Brazilian interviews appears quite haphazard, in the sense that the cluster of circles occupies practically every possible position on the fringes of the matrix (See Figure 4). Two concentrations nevertheless clearly appear: one in the lower right-hand corner, corresponding to discouragement, the other in the top central part near the pole of activities. This pole of attraction is particularly significant, since over 40% of the interviews fall into its orbit. The cluster of circles is very dense, indicating that those activities remain at a considerable distance from the logic of alternative occupations. These activities therefore correspond only very slightly to the statutory categories of employment and inactivity, and unemployment as well. They suggest rather an intermediate zone in which those categories are fuzzy and mixed. They create a buffer zone in which their pertinence appears problematic. Thus, in the Brazilian case, the experience of unemployment seems strongly shaped by the practice of activities of an indefinite nature, that are not reducible to the statuses habitually used to describe the positions occupied in the labor market.

The valorization of activities is both favored and restricted by the structural context and specific institutional norms in Brazil. A multiplicity of mechanisms contributes to the construction of the meanings of unemployment mainly the role of informal jobs and the regulation of employment relations, the system of social protection, the family structures, and the reticular organizations. The way the Brazilian labor market is structured promotes the multiplication of intermediary situations characterized by a weak statutory codification. This concerns in the first place the forms of labor, which – less than in the other countries – are not totally comprised in the notion of employment. For in fact remunerated labor covers a large spectrum, spanning from formal, official, supervised, statutory employment to more informal, unstable, fragile activities, from the non-declared workers hired in industry and commerce to the odd jobs of street vendor, through all the various forms of subcontracting, unofficial business, lending a hand, etc. The fuzzy

contours of employment have their counterpart in the situations of unemployment. The institutionalization of employment is feeble: public employment agencies are not very developed and bureaucratic accounting of the unemployed remains relatively rare, financial compensation is limited to a part of those who were formally employed, and measures to help people get back to work are practically nonexistent.

Given the foregoing, protection against the consequences of unemployment and against the threats it represents for personal survival depends less on the institutional measures taken by the State than on the structures of local community relations. In this respect, the family is the basic unit for managing unemployment, more exactly for developing the strategies to drain monetary resources. The interdependence that exists between the members of this basic economic unit favors a distribution of participation in economic activities that procure an income. Broader community networks such as the extended family, neighborhoods, and religious groups also provide information and resources stimulating the participation of individuals in activities whose status is uncertain but whose economic and monetary dimension has been proved. Proximity solidarity thus contributes to framing the unemployment experience: it orientates it towards the practice of remunerated activities (with very variable incomes) as a response to the deprivation of income inevitably brought on by unemployment. That solidarity also creates and consolidates systems of allegiance, obligations, reciprocity and indebtedness, that clearly leave their mark on individual situations.

This state of affairs further debilitates the institutionalization of unemployment and also of employment, because the result is that the social stigma of unemployment is not very serious, so that it is not the fact of having lost one's job that can organize its meanings, but other sorts of interpretation, founded on activities. In the Brazilian context, the unemployed are included in relational networks that convey the meanings and can procure them corresponding resources. Thus, the reference experience, both as it is lived by the individual and collectively supported, is structured by the act of mobilizing resources capable of restoring an income, and consequently orientated towards the participation in a variety of forms of labor. It stands out as a model of organized making do, which carries considerable weight, since a good number of the interviews carried out in Brazil fall into the zone of the pole of activities. The complementary pole of discouragement crystallizes the cases where this self-management has failed, that can only

lead to very rapid pauperization. A small number of other cases do not fit in with the above; we will return to them later.

We were thus able to note large gaps in the distributions of the interpretations of unemployment in the three countries: in France, what dominates is a *socialized and accompanied job search*, in Japan, the *internalization of job deprivation* prevails, and in Brazil, an *organized making do* carries the day. These three reference experiences have been analyzed at the intersection of subjective logics and institutional norms, which all shape either the significations of unemployment or the behaviour of unemployed people vis-à-vis the labor market. The three configurations that shape unemployment and represent so many differentiated ways of responding to it, are articulated, when these responses fail, to a counter-reference which in the three countries takes a similar form, *i.e. discouragement*.

These results, which indicate diversity in the logics of action in contrast with a similarity in the logic of inaction, fit in with our hypotheses about the existence of national configurations. In fact, our approach can describe significant differences between the countries, while at the same time respecting the contents of a large number of the interviews. However, all of them do not fit in with this schematization, clearly indicating that these configurations are not as inflexible as national models can be.

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Endnotes

1For detailed information on the surveys carried out see Kase and Sugita (2006), Guimarães (2006 and 2009).

2Operational decisions and methodological aspects related to biographical interviews are carefully presented in Demazière, Guimarães and Sugita (2006).

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Appendix: Figures

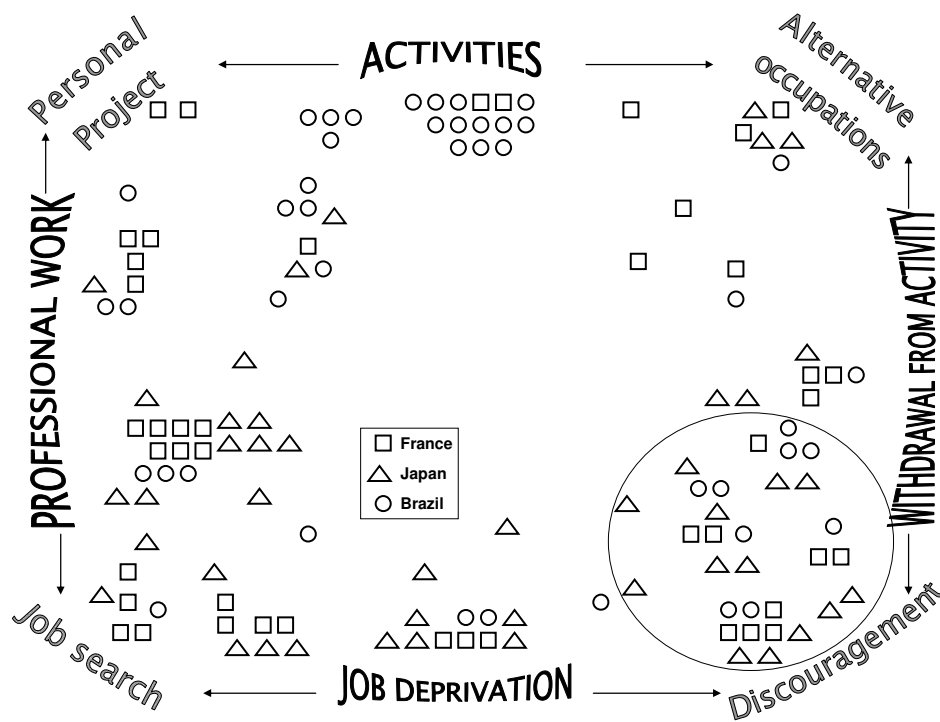


Figure 1: Poles of significations and cases (France, Japan and Brazil)

Source: *Fieldwork in Paris (1998-2000), São Paulo (2001-2004) and Tokyo (2001-2004).*

Detailed information on methodological decision see Kase and Sugita (2006) and Guimarães (2009).

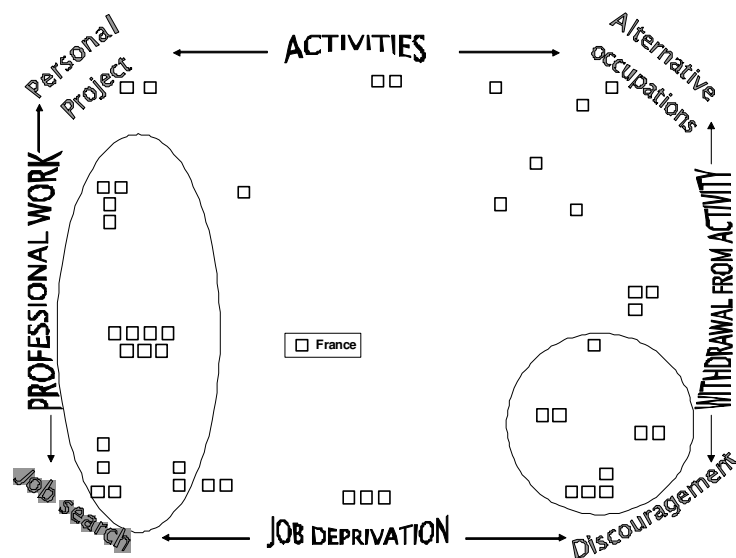


Figure 2: Poles of significations and distribution of discourses collected in the French case
Source: *Fieldwork in Paris (1998-2000)*.

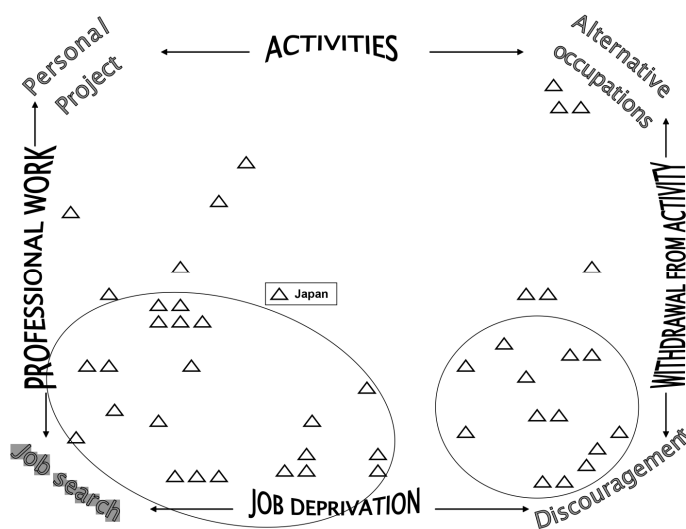


Figure 3: Poles of significations and distribution of discourses collected in the Japanese case.
Source: *Fieldwork in Tokyo (2001-2004)*

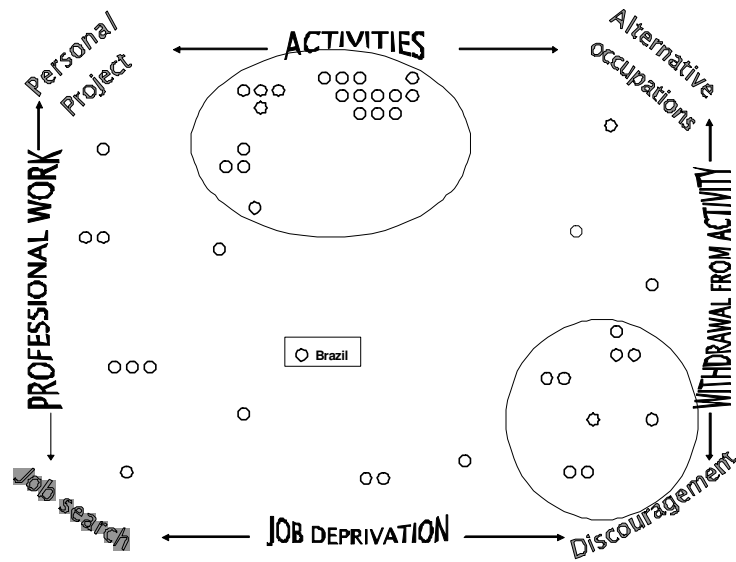


Figure 4: Poles of significations and distribution of discourses collected in the Brazilian case
Source: *Fieldwork in São Paulo (2001-2004)*

The Solidarity Economy: a Plural Theoretical Framework

By Jean-Louis Laville

Introduction 1

The distinction between infrastructure and superstructure that underlies the project of securing the economy's independence is deeply questionable today. The fact that economic development now depends on harnessing cultural production through information and communication technologies has blurred the boundary between materiality and social interaction, thereby promoting their permeability. Given the unprecedented risks entailed in the contemporary expansion of the capitalist system, the search for an 'alternative economy' has resulted in strong initiatives of which the new social movements are but one expression. But perhaps we should first take stock of how some of the social changes they propose reflect the theoretical assumptions of the orthodox economics they oppose.

There is a great temptation, in the name of radicalism and following the example of neo-classical theory, to disclaim or remove the political dimensions from economy. For sure, as we know from bad experience with community projects, to conceive of social transformation solely in terms of economic practice makes political mediation impossible and encourages faith tinged with religious or moral fervour to fill the gap. The lessons of the past allow us to recognize the dangers with ease: the dominance of avant-gardes and lone prophets with a mission to liberate the truth from present realities and to illuminate the future; a proneness to squash initiatives on the grounds that by themselves they will not overthrow the logic of the system.

Such a vision of another economy, of another world can hardly contemplate the democratic conditions of its own realisation. Here, I want to show that the debate over different meanings of the economy should be reopened in this light. Without it, any discussion of the levers of change or of the conditions of transition would be impoverished. Our task is to understand and explain those dimensions of economic life that have been obscured by the naturalisation of the economy's current dominant form, if we are to harness our efforts at making them intelligible to an idea of socio-political transformation sustainable in public de-

bate. To follow in the footsteps of Mauss and Polanyi, taking their contributions separately and together, opens the way to an emancipatory project that is explicitly mindful of a politics that, paradoxically, revolutionary rhetoric banishes in the name of effectiveness.

1. The plural reality of the economy : an analytical framework

The striking convergence between Polanyi and Mauss comes from the fact that both based their economic analysis on a critique of the reductionist assumption that explains economic action solely as the expression of material self-interest. Both held that economic behaviour could be an expression of a sense of belonging or of interest and disinterest combined, such interest being wider in scope than the merely material. They both inferred that economic reality is inevitably plural and that this is masked by utilitarian analysis.

Polanyi², in particular, underlined the heuristic value of returning reflexively to the definition of economy. The meaning of the word 'economy', as we currently use it to designate a certain kind of human activity, swings between two poles. The first, 'formal' sense stems from the logical character of means-end relations: the definition of economy in terms of scarcity comes from this. The second, 'substantive' sense emphasises the relations of interdependence between people and the natural surroundings from which they derive their material being. In this definition, such substantive conditions are basic to the economy. This distinction between an economy of scarcity and one linking people to their environment was revived from the posthumous publication of Menger's *Principles*, a foundational work of neo-classical economics. There Menger suggested two complementary directions that economics might take: one based on the necessity of economizing in response to insufficient means; the other, which he called 'techno-economic', flowing from the exigencies of physical production without reference to the abundance or inadequacy of the means available. These two approaches to the possible development of the human economy proceed from "essentially different assumptions.... (but) both are primary and fundamental" [Menger, 1923: 77]. This argument was

forgotten by his successors in neo-classical economics who chose to privilege Menger's price theory and reduce his approach to a formal one alone, protected by the absence of an English translation of the posthumous edition of his work.³ Polanyi held that this reduction of the field of economic thought led to a complete rupture between the economy and life, a comment expanded upon by those economists who have taken the trouble to reflect on the epistemology of their science [Bartoli, 1977; Maréchal, 2001; Passet, 1996; Perroux, 1970].

Polanyi draws on this distinction to underline the two characteristic features of the modern economy.

■ *First, the growing independence of an economic sphere that becomes identified with the market.* Passet has traced the stages, from the Physiocrats to neo-classical theory, of a long process of withdrawal in which sidelining the substantive meaning of economy led to confusion between the economy and the market [Passet, op. cit.: 31-37]. The Physiocrats worked out the concept of economy by referring to the market as a mechanism linking supply and demand through prices; but, for Quesnay as much as for the founder of the classical school, Smith, if the economy was granted the characteristics of a market, the economic sphere was not separated from the rest of society. Thus for Smith the value of a good is based on the costs of its production; Ricardo extended this idea to a labour theory of value that Marx used for an unprecedented attack on the liberalism advocated by the classical school when he defined capitalism as a system of labour exploitation. In reaction to this radical challenge, the neo-classical school threw out these assumptions and based value instead on the principle of utility/scarcity. Now a pure economics could be defined as a "theory of price determination under hypothetical condition of absolutely free competition" [Walras, 1874, cited by Passet, op. cit.: 36] from which all phenomena outside the market were excluded, except when neo-institutional economics tries to explain market failure or when the economics of organizations only recognizes other solutions after treating the market as the principle of first resort.

■ *Second, identification of the market with the self-regulating market.* Rationalist and atomistic assumptions of human behaviour allow economists to aggregate individual behaviours by means of a deductive market model without taking into account the institutional framework of its form. To conceive of the market as self-regulating, that is, as a mechanism linking supply and demand through prices,

overlooks the institutional changes necessary for it to happen at all and indeed the structures without which it could not function. Rosanvallon [1989: 221-222] has described this economic ideology as "the reduction of trade to the market conceived of as the only natural form of economic relations...Exchange, which must be equal, is taken as the archetype of all other social relations...A natural harmony of interests is enough to sort out the world market; political mediation between people is considered to be useless or even harmful". With the arrival of the neo-classical paradigm, economics was able to study rational interested behaviour with formal mathematical rigour. The market could be understood solely in terms of the pursuit of maximum profit.

■ Consequently, to these two points of Polanyi's we may add a third much emphasised by many authors including Marx: *identification of modern enterprise with its capitalist form.* In a capitalist economy based on private property in the means of production, the creation of goods is tied up with the possible profit for holders of capital. The firm is a "profit-making unit whose organization is geared to the hazards of market transactions, always with the aim of taking advantage of the exchange", according to Weber who adds that "capital accounting thus underpins the rational form of an economy of gain" since it allows calculation of the surplus produced" in relation to the money value of the means employed by the firm" [Weber, 1991: 14-15]. The establishment of the joint-stock company in law provides the means for an unparalleled concentration of capital, since property rights may be exchanged without their owners having to be aware of it, with the stock exchange offering a parallel guarantee of converting their assets into cash at any time. "To the extent that capital accounting has become universal and with it the opportunities for market transactions, from now on it shapes perspectives on commodity exchange as much as those on production" [*ibid.*].

If Polanyi revealed a plurality of economic principles, Mauss acknowledged a plurality of property forms and insisted that economic organization is always a complex combination of economic types that are often opposed [Mauss, 1923] and that these are shaped by evolving social insitutions. "Property, law, the organization of work – these are all social facts, real things corresponding to the real structure of society. But they are not material objects; they do not exist outside individuals or the societies that make them and keep them alive. They only exist in the minds of men brought together in a society. They are psychic facts.

Economic facts, such as property rights for example, are themselves social (value, money etc...) and therefore constitute psychic facts like all the other social facts to which they are connected, conditioning and being conditioned by them" [ibid.: 76]. If individual property cannot be called into question without restricting freedom, we could still add "national and collective property and other economic forms above, alongside and below that level" [ibid.: 265].

There is not just one mode of economic organization expressive of a natural order, but rather a set of forms of production and distribution exist together. "There is no such thing as an exclusively capitalist society...There are only societies with a dominant regime or rather, to complicate matters further, with institutional systems more or less arbitrarily defined by the dominance of one or other of their elements" [ibid.]. For Mauss, social action and practice are the result of individual representations made standard by political institutions; these define a framework within which practices unfold, influencing their representation in turn. Institutions change because they are social conventions which at once express and limit the field of possibilities. Studying them allows us to gain "sharp awareness of the facts and a grasp, if not certain knowledge of their laws" and helps us also to emancipate ourselves from the 'metaphysics' in which 'ism words' like capitalism are soaked [ibid.: 535]. To assert the existence of a capitalist society implies perfect coordination of individual representations, the idea that capitalist dominance exists in reality, whereas "an economic system is made up of contradictory institutional mechanisms which cannot be reduced one to the other".

So the contribution of Polanyi and Mauss may be understood as an analytical lens that allows us to grasp the plural character of economic reality by demonstrating the existence of a number of principles of distribution and production, while drawing our attention to the institutional forms in which the market is embedded. The idea of a plural economy does not presuppose any consensus; it offers an analytical lens through which we can marshal the facts and throw light on the complementarities as well as the tensions and conflicts between economic opposites.

2. Democratic solidarity: a central concept in resistance to market society

With this framework in mind, we can now decipher the mechanisms through which resistance to market society has been manifested. From this point of view, there is a

relationship between reciprocity and redistribution that is particularly modern, as Mauss showed us in the conclusions to *The Gift*.

Even so, we should not idealise solidarity. The inclination to help others, developed as a constitutive element of responsible citizenship, carries the threat of a "gift without reciprocity" [Ranci, 1990], allowing limitless gratitude as the only return and creating a debt that can never be redeemed by beneficiaries. The relations of personal dependence promoted in this way risk trapping the recipients in a permanent position of inferiority. In other words, this philanthropic solidarity brings with it a mechanism of social hierarchy and support for the inequality that is built into the social fabric of the community.

In contrast to this 'benevolent' version of solidarity, however, there is another that would stress the democratization of society through collective action. This second version assumes the legal equality of the people involved. We find it in different continents over the two last centuries; it does shape social reality to some extent in South America [Ortiz, Munoz, 1997; Gaiger, 2001; Carvalho de França Filho, 2001] and in Continental Europe [Evers, Laville, 2003]

If we trace its origins, the depth of the democratic solidarity emphasized by advocates of the 'solidarity economy' (*l'économie solidaire*) is as much historical as theoretical. The concept of solidarity has been mobilised to limit the disruptive consequences of the market economy, of what might be called 'utopian capitalism' [Rosanvallon, 1979]. Besides, democratic solidarity has two faces – one of reciprocity designating voluntary social relations between free and equal citizens, the other redistribution, designating the standards of service drawn up by the state to reinforce social cohesion and to redress inequality. History shows that, from the eighteenth century, people generated proliferating means of public association which in the first half of the nineteenth century focused on the demand for new forms of work organization [Chaniel, 2001; Laville, 1999; Revue du Mauss, 2000]. In this case, democratic solidarity took the form of voluntary reciprocity bringing together citizens who were free and equal under the law, unlike the charity and philanthropy that thrived on unequal conditions. When the liberal prophecy failed and the removal of obstacles to the market did not lead to a balance between the supply and demand for labour, a large number of responses emerged to solve the social problems involved through the self-organization of the people themselves. Worker and peasant associations worked together, pro-

vided mutual aid and made collective demands. They initiated an economic project based on brotherhood and solidarity that refuted entirely the attempt to draw a line between the economy and public life [Laville, 1999].

Eventually, however, with advances in the efficiency of capitalist production and some repression, this outburst of reciprocity ran out of steam. Then solidarity increasingly took on another meaning, that of a social debt between classes and generations whose management through the organization of redistributive flows was the state's primary responsibility. At the same time, the movement to form public associations became established through spawning new insitutional forms, such as unions, mutual insurance companies, cooperatives and non-profit organizations. So, it gave way to forms of socio-economic organizations but they have not escaped the consequences of becoming commonplace. The union movement distanced itself from this tendency in pressing for a redistributive welfare state and for recognition of workers' rights in businesses. The state developed a specific form of social organization which facilitated the extension of the market economy while reconciling the workers to the citizen body at large. One cost of the ensuing security, however, was that political examination of the economy was dropped. The project of a plural economy faded away.

Nevertheless, the relative democratization of the economy, achieved with much struggle, was won in the name of solidarity. This concept was linked to the emergence of sociology in that it made a break with the contractarian vision of liberal individualism and, having been at first organized with an economic mission defined by reciprocity, it was then expanded into a system of public redistribution that included the voluntary associations under its supervision. Moreover, the way that associational activity and the public sphere co-evolved is one of the great lessons to be learned from such a historical retrospective. It is not a question of replacing the state with civil society but rather one of combining redistributive solidarity with a more reciprocal version in order to rebuild society's capacity for self-organization.

In summary, democratic solidarity introduced egalitarian reciprocity between citizens into the public sphere at the same time as establishing the principle of redistribution through the state.

What is peculiar to modernity, therefore, is first reciprocity based on equality in the public sphere. Despite the con-

stant risk of falling into a strategic or functional mode of expression made all the more violent by being masked in a discourse of free speech, reciprocity between equals is essential if we are to bring questions arising from everyday life to independent arenas for public debate with the potential to express society's need for self-determination [Chaniai, 2001]. As Ranci says [1990: 381], in order for the gift not to become frozen in asymmetrical dependency, it must be circumscribed by a system of relations which, by submitting it to collective rules designed to stabilize the conditions of its circulation, makes reciprocity between equals possible and allows for donor and recipient to switch places.

The second distinctive feature of modernity is a system of public redistribution whose rules are fixed within a framework of representative democracy. The transition to a democratic solidarity based on redistribution by all means may lead to the opposite of freedom if its source is a public authority whose aim is to subject everyday life to control by bureaucracy. But the risk of such an eventuality does not undermine the interdependence of reciprocity and redistribution. The difference between them should not make us forget their common birth, as their shared reference to solidarity confirms. Solidarity related to public redistribution unites freedom and responsibility, since mutual obligation underlies the freedom that comes from having the confidence to pool resources. It is an extension of the spirit of the gift as put forward by Mauss [2001: 263]. For Jaurès social insurance is a right which "comprises the interplay of reciprocal duties and sacrifices, a sphere of mutual giving", what Castel called 'social property'; with the proviso, Jaurès added, that it should not be a "wheel of state" but "a living product through which the workers will exercise their strength today and the apprentices their control of tomorrow" [Chaniai, 2001: 216]. In the hands of Mauss and Jaurès, therefore, the concept of democratic solidarity points to close relations between the gift, reciprocity and redistribution, rather than emphasizing their differences.

3. From the 'double movement' to a plan for transformation

The economy under conditions of modern democracy therefore is caught in a double movement: the first expresses a tendency towards becoming disembedded, the second is the opposite democratic tendency to re-embed the economy.

The first movement expresses the dominance of the formal definition of economy. Economy is conceived as a combination of the self-regulating market and capitalist society: the project is to make society indistinguishable from its own economic mechanism. A market economy without limits leads to a situation where the market is all-embracing and sufficient by itself to organize society; the public good is realised by the pursuit of private interest without any room for political debate. This invasive utopia of the self-regulating market differentiates modern democracy from those other human societies where aspects of the market might be found, but without the aim of putting them together into an autonomous system.

It proves impossible, however, for the market society to attain its goal, since society itself balks at the prospect, by having recourse to the idea of solidarity, in particular. The institutions that may be enrolled into controlling the market are many, embodying what Callon [1999] might call a centring/outflanking of the market. This is the core of a second movement reintroducing a substantive approach to the economy through three main developments.

■ *The principle of redistribution is mobilised against the reduction of the economy to the market.* There is another pole intrinsic to modern democracy, the non-market economy in which goods and services are allocated by means of redistribution. The market economy could not fulfill the promise of social harmony it once made. On the contrary, as social problems mount, it becomes necessary to put forward institutions that are sensitive to its destructive consequences and able to counteract them. If the idea of basing the economy on reciprocity has become rather blurred, redistribution as an alternative economic principle to that of the market has emerged as the result of public action. The state confers on citizens individual rights allowing them to benefit from social insurance against risk and in the last resort public assistance for the underprivileged. Public administration is thus defined by payment of goods and services with a redistributive dimension (from the rich to the poor, the employed to the unemployed...) according to rules issued by a public authority that is subject to democratic control [Strobel, 1995].

■ *In response to the notion that the market must be self-regulating, it is confined by a process of institutional embedding.* If disembedding of the market is a feature of modernity, this has been frustrated by society's repeated reactions aiming at « socialising » the market, that is subjecting it to a body of rules derived from a process of po-

litical deliberation. In other words, the modern market economy is defined by a tension between disembedding and embedding processes. In twentieth century history, the drive to establish a self-regulating market in the place of various regulated markets itself gave rise to the development of regulatory frameworks [Verley, 1999: 66-69]. "The majority of markets today consist above all of rules, institutions and networks that frame and control the conditions under which supply and demand meet". But these are opposed in their turn by spates of deregulation calling for "various markets to be brought into line with the impersonal idea of perfect market competition, that is for the desocialisation of markets" [Gadrey, 1999].

■ To which we should add *attempts to found and get established non-capitalist enterprises.* The basic model of the firm in neo-classical theory is one where property rights are held by investors. In this context, the aim of the firm comes down to profit maximisation, to the accumulation of finance capital. Labour is subordinated to this accumulative logic. In contrast to this dominant model of economic theory, some analysts have demonstrated a *variety of property forms*, that is, different kinds of persons holding property rights and thus able to shape the aims of a firm. The purposes of a firm depend on the configuration of property rights and on those who hold them. Unlike capitalist firms, some enterprises are not owned by the investors, but by other types of participant whose aim is not to accumulate capital. As Hansmann [1996] and Gui [1991] point out, there are potentially as many property forms as types of participants, including workers, consumers etc. There have been many studies of organizations whose owners are not the investors. The literature on workers control (*autogestion*) naturally leans to firms organized by workers. Analysis of the world of cooperatives equally focuses on enterprises controlled by consumers and suppliers. There is today a wave of so-called social enterprises whose 'social' character does not necessarily depend on their being collectively-owned. When judging an economic activity, other criteria come into play than financial profit: access to supplies, the quality of performance of a service etc. [Rose-Ackermann, 1986]. Economic action in these terms thus reflects a kind of reciprocity where "true worth lies in the tie" more than maximization of individual interest.

So we have a variety of responses to the utopian experiment of market society: the mobilization of different economic principles, the development of institutions restricting the market sphere and issuing rules for it, the adoption of non-capitalist property forms.

Neo-liberalism brought back the utopian idea of a market society. The content of the democratic reply then proves to be crucial. At worst, the desire for liberation risks turning into its opposite – the sort of identity tensions that can produce confrontation between ‘Mac World’ and ‘Djihad’, to draw on Barber’s [1996] imagery. The globalization of the market and its extension into areas never touched previously finds its corollary in the rise of religious fundamentalism. If the risk of such confrontation is real and confirmed by events, it has already shown its incompatibility with democracy in the course of the twentieth century. History tells us that, when an economic worldview becomes an end in itself, there is no room for an alternative human project to be decided through democratic process [Roustang, 2002: 12]. Market extension “meets a counter-movement checking this expansion in whatever ways are necessary for society’s protection” [Polanyi, 1983: 179, cited by Roustang, 1998: 182]. This is the route, according to him, to a “great transformation” to liberate society from the threats that economic liberalism brought on its head.

As Dumont [1983] recalls, the fascist and communist regimes tried to go in this direction; it led to the destruction of freedom and the reign of oppression. Unfortunately no great transformation yet has been able to reconcile freedom and equality. Of course, there was a compromise between market and state during the period of expansion after the Second World War. Fordist and welfarist industrial societies imposed social rules on market economy through legislation and collective bargaining along with a vast apparatus of non-market redistributive economic forms. But this compromise had a reversible character, as proved by the neo-liberal offensive exempting the market from certain social rules that were conceived of as rigidities and by delegitimizing a non-market economy weakened by bureaucratization and the subjugation of users. That reversibility is all too obvious today. The fact that social progress is conditional on deductions being levied on the market economy opens up a contradiction: on the one hand, it would be desirable to restrict the market so that it does not extend into every sphere of human life and solidary relations might be preserved; on the other, it is just as desirable for economic growth to be as high as possible in order to yield the maximum returns to finance redistributive systems which testify to the solidarity between social groups.

In order to escape from this apparent impasse, it becomes necessary to take into account all the steps that concretely reject the ceaseless commoditization of social life. This is the full significance of initiatives undertaken in the solidari-

ty economy. In their many-sided ways, these help to challenge developments that neo-liberal ideology represents as inevitable. If such initiatives were in a position to extend enrolments beyond their immediate constituencies, to increase their commitment to and involvement in matters of public regulation and to ally themselves with social movements who share their goals, they could contribute more effectively to the democratization of economy and society.

Conclusion

Two great lessons may be drawn from the history of the twentieth century. First, market society sustained by a concern for individual freedom was generating huge inequalities; then submission of the economy to political will on the pretext of equality led to the suppression of freedom. These two solutions called democracy itself into question, whether in the form of totalitarian systems or, with a similar result, through the subordination of political power to that of money [Lazar, 2002]. If we reject both of these options, it is then a question of developing institutions capable of guaranteeing a plural economy within a democratic framework, exactly what is compromised when the rationale of material gain without limit has a monopoly. To answer this question, we must seek out new institutional forms anchored in social practice; these will point the way towards the reinsertion of democratic norms in economic life. Any return to the old compromises is doomed to failure [Laville, 2000] and any reflection on how to reconcile freedom and equality, which remains the nodal point of democracy in a complex society, can only make progress by taking into account the reactions of people in society. This is one further point of agreement between Mauss and Polanyi; we must rely on practical experience for information and analysis, in other words, start from “real economic movement”, not from a programme of social reform given a veneer of realism. This is a conception of social change as self-expression, of change which “is by no means committed to revolutionary or radical alternatives, to brutal choices between two contradictory forms of society” but which “is and will be made by a process of building new groups and institutions alongside and on top of the old ones” [Mauss, 2001 : 265].

Mauss and Polanyi, in outlining the theoretical foundations of a plural approach to the economy, have begun a reflection on social change that cannot be satisfied with ritual calls to turn the system upside down. In other words, rather than make an abstract appeal to an alternative econ-

omy, they have shown us a concrete road to 'other economies', based on the field of possibilities already open to us.

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Endnotes

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2This section is based specifically on the foreword and first three chapters of Polanyi [1977].

3As Polanyi pointed out, Hayek was instrumental in ensuring that a translated version remained unpublished by dismissing the work as "fragmented and disorganized".

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The “Social Construction of the Market” in a Transitional Economy. The Sugar Industry in China in the Context of Globalization

By Louis Augustin-Jean

Within the fields of economic sociology and heterodox economics, one of the most discussed topics is the “social construction of the market”. The pioneering work of Mark Granovetter (1985), freely inspired by the masterpiece of Karl Polanyi (1944), has stimulated a large amount of academic work. With his sense of formulation, Karpik has pointed out one of the major differences between the two authors: “for Polanyi, the market is embedded in social relations; for Granovetter, it is embedded in networks” (Karpik, 2007). Beyond the differences, the phrase also shows that, for the two authors, there is an indetermination related to the structure of the markets, due to the great diversity of social relations and networks: the certainty of the market of the neoclassical tradition is replaced by the uncertainty of social exchanges and networks that are always changing.

This tension between the impossible market of neoclassical economics and the concrete and too diverse markets of sociologists could not lead to a common theoretical corpus. Moreover, this tension also hides the conceptual differences between the many definitions of the market (Boyer, 1997). This is best visible, but not really analyzed, from what has been termed “transitional economies”. The terminology underlies a temporary stage during which “planned economies” are to be transformed into “market economies” or “capitalist economies” – the word being often and wrongly used in a similar way. In the words of Cao and Nee (who do not favor this interpretation), this “strong version” of market transition “involves two teleological arguments: 1) that a market society in line with existing capitalism is the inevitable outcome of the departures from state socialism and 2) that the “generic” effect of markets – reward distribution based on individual’s relative fitness to a competitive environment – is the eventual outcome”. In this version, the “hybrid mixed institutional formations surely may exist, but their impact is either transitory or unsustainable” (Cao and Nee, 2002: 5).

Pushed to its ultimate logic, this vision of the evolution (rather than transition) of these economies is close to the “end of history” of Francis Fukuyama, with the dismissal of the socialist economies and the triumph of the “market economy”, whatever sense it can take. It obviously hides the fact that “market economies” have a very different shape, that capitalism is an historical process with its own internal dynamic quite different from the logic of the neoclassical market, and that the outcome of the reform process in the former socialist economies is not only unclear but takes very different trajectories depending on the countries and/or industries.

The focus on the question of the transition masks equally important issues related to the structure of these economies, which are marked by their history, as well as their future. Concerning China, despite plethora of research on market reforms, there is a clear lack of analysis of market structures; the original work of Victor Nee (Nee, 1985; 1992; Cao and Nee, 2002; etc.) does not really answer that kind of question as he is mainly interested by “hybrid” forms of organization that are “neither markets nor hierarchy” (Powell, 1990).¹ It is actually surprising that, despite numerous researches related to institutional changes and market transition, so little has been done about market structures. Using the example of the sugar industry in China, this article aims to fill this gap. The first part briefly introduces some of the reasons for the choice of this industry; the second one tries to adapt theories of the “social construction of the market” to the Chinese economy, while the last part presents some sketched features from the Guangxi sugar industry.

1. The sugar industry and the internationalization of China’s economy

If the gains from globalization have been unequal (Kaplinsky, 2000; Stiglitz, 2002), China can probably claim to be a major winner. The “open door policy,” initiated in 1978, generated opportunities for China² to get in-

volved in international trade. The culmination point is probably 2001 when, after 13 years of negotiations, she was admitted into the WTO. This membership was perceived by the international community as a signal that China was continuing her transition towards a "market economy". Indeed, China agreed to speed up her reform process and, most notably, to partly liberalize her agricultural sector – a sector that causes the Doha round of the WTO to be in the low point. Thus, China's position may be seen as paradoxical. In order to gain market access for her growing industrial production, contrary to other countries, China apparently agreed to liberalize her agriculture; the consequences in terms of market structures as well as the consequences for the local population in producing are worth analyzing.

The study of sugar is particularly well suited for this purpose. First, sugar is major agricultural commodity that is used as a main input by many agro-food industries. Second, sugar is also widely traded internationally, although its trade has been characterized, from the start, by political interventions. Currently, the volume of sugar traded in the international market oscillates between 25 percent and 30 percent of the global production (in comparison to about 7 percent for the rice). It is also one of the few commodities for which producers from developing and developed regions alike are competing for market shares (even though it is made from two different crops).

Third, the Chinese production increased dramatically since 1978, from 2 million tons to over 11 million tons in 2006/07, and China is now the 3rd largest producing country in the world. If this spectacular surge is not specific to the sugar industry, it is worth noting that, while many industries are dispersed throughout the country (an inheritance from policy of autarky of the Maoist years as well as a consequence of provincial protectionism), sugar production is concentrated in the southern province of Guangxi (over 6 million tons annually, a 24 fold increase since 1978). This impressive growth has been generated not just by market forces, but it was also engineered by the central and provincial governments in the final years of the Maoist era.³ Thus, the current situation is the reflection of two dynamics: a path dependency from the collectivization years; and the "rule" of comparative advantages (the province is the best suited for sugar production in China). Despite this impressive growth and the specialization resulting from realizing its comparative advantages (about 40 percent of the province's population is involved in sugarcane and

cane sugar production), Guangxi remains the 4th poorest province in China out of the total 31 provinces or administrative units of the same rank.⁴ Differently stated, the mobilizing of comparative advantage did not help Guangxi to be lifted out of poverty or, at least, to catch up with other richer provinces.

There are multiple reasons for that. A major one is that this specialization coincided with the building up of competitive advantages in other provinces: the creation of the "sweatshop of the world" in Guangdong and Fujian, with the production of garments, shoes or electronics, earned China an important place in the international division of labor. In other words, the development of Guangxi's comparative advantages and the related profits generated by sugar were no match in comparison with the gains from China's insertion into the international division of labor. Additionally, the internationalization of China's economy had a negative impact on Guangxi, as its sugar industry has to (partly) compete domestically with overseas production, which is as difficult as to shift specialization.⁵ Like she did with the agricultural sector as a whole, the PRC had to accept to liberalize this industry to some degree, even though sugar remains one of the most protected commodities in the world (the recent changes in the European sugar regime did not significantly alter this statement) (Oxfam, 2003).

Thus, in addition to the place of sugar in human consumption and for (agro-food) industries, the study of sugar in China has to be contextualized within the framework of internationalization, deregulation and partial privatization. These institutional changes that accompany economic growth have also led to a modification in the balance of power between the main actors of the industry: some of them had or believed their position to be threatened, as changes brought new opportunities to others categories of agents. In turn, the new distribution of power brings new market relations, which have some effect on the evolution of the institutional framework. The way markets change and the shape they take are therefore at the centre of the evolution of transitional economies. The fact that the sugar industry did not escape the usual price fluctuations of commodities and came to a growth crisis in the 1990s only add justifications to the need of analyzing this evolution of the market structures.

2. The social construction of markets in "transitional economies"

As indicated, the mirage of the "transitional economies" can be theoretically questioned on several grounds. The expression suggests that "a market society in line with existing capitalism is the inevitable outcome of the departures from state socialism" (Cao and Nee, 2002: 5). If "hybrid systems" exist, they are either transitory or unsustainable (*ibid*). This statement is not in line with historical experiences and studies have shown that economic systems, even those usually defined as "capitalists", do not only differ but are also not converging (Hollingsworth and Boyer, 1997). A second and related point is that it remains unclear if the transition period would lead to a "market economy" – as an ideal aim or as a concrete objective that has yet to be defined while, once again, market economies are extremely diverse – or to "capitalism" (which is different from market economy).

The "social construction of markets" offers a possibility to avoid this trap and to analyze the implementation and extension of markets (Coriat and Weinstein, 2005; Powell, 1990; Swedberg, 1994; etc.). The "social construction of markets" not only focuses on "concrete markets" and the importance of their organization on economic performances, but it also provides normative concepts of their emergence and extension. Even though there are theoretical disagreements, since the pioneering article of Granovetter (1985) efforts have been made to unify the analytical framework.⁶ While this theoretical body has not been established with reference to "transitional economies", it does specify the conditions of existence of a market. It is thus possible to see whether these conditions are fulfilled in countries like China while markets are constantly growing – and if they are not, what explains the discrepancy with the theory.

To fully answer this question, a complete literature review of the "social construction of markets" would be necessary. Considering the constraint of space here, I will only base the discussion on Coriat and Weinstein (2005), who, based on existing literature, have arguably provided the most concise analytical framework for the "social construction of markets". In the first stage, the authors acknowledge that exchanges usually do not occur between two insulated individuals, and that markets have a permanent structure with a host of specific institutions and regulations, leaving room for the flow of

information. After this preliminary observation, they proceed in two steps: first, they establish the conditions for market transactions to exist; second, they pinpoint the fact that while transactions are necessary, they are not sufficient to the existence of markets, so that other prerequisites need to be stated.

According to Coriat and Weinstein, for the transactions to occur, three conditions are necessary. 1. a good definition and a general agreement over ownership rights; 2. a mechanism that guarantees the respecting of these rights. In most societies, the state is in control of this mechanism. More importantly, the way these ownership rights are protected (and recognized) is a reflection of the power relations that exist within the market and beyond (which may lead to an "asymmetry of exchange"). The market is like a political device, not the neutral instrument presented in the neoclassical tradition. 3. A good definition over the object that is going to be traded. This definition is also a (social) construction, and requires that the respective rights and obligations of the sellers and buyers are precisely described – which is not always the case – as well as certainty over the quality of the good to be exchanged. For example, uncertainty over quality might in the worst cases prevent the realization of the exchange to occur (Akerlof, 1970).

Second, "market transactions" do not equal "markets", which require repeated and multiple transactions incorporated into a specific institutional framework. "Speaking of a market presumes bringing together a group of transactions held to be similar" (Coriat and Weinstein, 2005: 2). The situation is in reality more complex, because transactions are more and more individualized: "the individualization of transactions and products has become one of the major dimensions of competition" (Coriat and Weinstein, 2005: 2; see also Karpik, 2007). Consequently, the market is unified or even created, by a common set of rules and regulations (or procedures or devices). The construction of the market is social (and political), and the development of the rules and regulations, as well as their stabilization (which Fligstein (2001) has defined as a "field") is also the reflection of power relations among the main actors in that market (these power relations are not only related to economic competition, as suggested by Fligstein, but are political and social as well). In particular, the market needs either a specific location (such as the stock market or the wet market) or either to be unified by complex instruments, institutional devices, etc. that link producers to consumers.⁷

The answer related to whether the conditions of existence of market transactions are fulfilled or not is not simple. In China, there is a certain indetermination concerning property rights, especially in the property/land market. In 2008, a new law was implemented to regulate the legal transfer of the rural land, but it failed to clarify all the uncertainties. And the question of the land ownership is not the only pending issue: intellectual property rights, the respective rights of investors in the case of a private/public joint venture (especially in the countryside), etc. can also be unclear. In fact, it is increasingly difficult to draw a line between the private, the collective and the state sectors (Augustin-Jean, 2000). Second, with its WTO membership, China implemented many new rules and regulations. Nevertheless, these laws and regulations remain somewhat confusing and their enforcement, especially at the local level, is doubtful. Some of these rules are contradictory, while the fairness of others has been put into question. Third, concerns over quality remain the rule. The problems are here manifold, from the development and the enforcement of standards, to the establishment of a food safety law, the implementation of procedures of control, etc. There are considerable difficulties in establishing and enforcing norms and standards that define the product precisely and allow the market to exist. In short, the construction of quality is still on-going for many agro-food markets, and the process is slow, due to the multiplicity of interests at stake.

Nevertheless, China is still developing new markets. The so-called "watershed ecological compensation mechanism" in the Beijing-Hebei region of China is such a market, in which people located downstream are compensating people upstream, even though the rights of the parties are weakly defined (Wang, 2010). Similarly, markets of goods have to deal with these uncertainties. The solution, as pointed out by Granovetter, is to rely on networks, which are somehow stabilizing the markets and reducing risks: the market is not only embedded in networks, without the networks, markets could just not exist. These networks also shape the "architecture of the market" – including the set of rules and regulations that organize the relationships between the market players. With regards to the sugar industry, this is the topic of the last section. Due to space constraints, the development that follows is mainly from the end of the 1990s, when the negotiations of China's entry into the WTO heated up.⁸

3. The emergence of the sugar market in Guangxi and market transactions

3.1. The situation at the beginning of the 1990s

The transformation of Guangxi into a major world producer of sugar was not achieved without pain, and difficulties appeared during the mid-1990s in the form of fluctuations in prices and production (He, 1999). Locally, this was interpreted as a short-term growth crisis (with production increasing more quickly than consumption), and was linked to market deficiencies that could be restored with additional market reforms (ibid.). Nevertheless, the crisis was more severe and was also structural. The lack of mechanization, the small size of the fields, high transportation costs, a backward technology for the mills (even in comparison with Thailand or Mexico – Ma, 2001), and the lack of economies of scales were (and still are) some of the most salient features of an industry that grew up too quickly. These were not mere economic or even organizational problems, but also social ones.

Since the end of the 1970s, the increasing demand for sugar has pushed up the production of sugarcane and prompted the creation of numerous small state-owned sugar mills (which numbered over 110 at the end of the 1990s).⁹ There was an interrelation between the local authorities and the state-owned enterprises (SOEs) on the one hand and farmers on the other hand. The interest of the first group was to maximize the profits for the mills: in the context of decentralization, the local authorities, which were made responsible for their own budgets and could not rely on financial transfer from the Central Government, depended on the profits of the sugar mills.¹⁰ Therefore, both sides had an interest in stimulating production, while at the same time keeping the price of sugarcane, which represents more than 50% of the production costs,¹¹ at its lowest possible level. This system was sustainable as long as farmers could enjoy a limited margin of profit. Social control mechanisms were implanted to ensure that farmers would continue to produce growing quantities of sugarcane and would not shift production to other crops. This was actually a challenge because, at an international price of 9 cents per pound (or 1,587 RMB per ton) which is not uncommon, the local industry is barely competitive.

At the same time, at the beginning of the 1990s, mills were also under pressure in the context of low interna-

tional prices and were operating at a loss. The liberalization of sugar prices in 1991 (while the price of sugarcane remained fixed) increased the pressure on the mills. As the mills were losing money, they could not pay the farmers and issued "white tickets" (i.e. IOUs) to be paid at a later stage. This tension created the conditions for social strife, and the risk of this was especially high, since the problems of the industry were systemic and not short-term.

Therefore, reforms were necessary, but they were complex. For example, it may seem possible for the mills to rely on advanced technologies and to achieve economies of scale. But then, these mills could end up with excess production capacity (cf. below). "Full" liberalization would also push down the price of sugarcane, at least in the short term, and create disturbances that could threaten social order and the survival of the sugar industry – Guangxi's main industry. Reforms had to be carried out in a way that takes into account the market structures and the existing networks within the value chain, where many kinds of actors are locally involved in the sugar business: farmers, as well as workers and managers in nearly 100 sugar mills, management teams at the sugar groups' headquarters, local and provincial authorities, consultants, wholesalers and retailers, and middlemen of all kinds, etc. – in total, about 40 percent of the Guangxi's 48 million people.

In dealing with the situation, the Central Government had many conflicts of interest to negotiate. First, the government needed to protect the interests of farmers, and to find a solution to absorb the "white tickets". Second, it had to restore the profitability of the industry in general and the mills in particular, which was not only a necessary condition to fulfill the first objective, but also a way to guarantee enough revenue to local governments. Lastly, China had also to take into account the pressure from the international community. She was negotiating with her international partners for entry into the WTO, and the sugar industry was only a small slice of her international trade. In short, Beijing felt it necessary to fulfill her partners' wishes and liberalize the sugar industry. But how far could the liberalization go, what were its effects and how did it transform the relationships among agents, especially at the local level?

From the beginning, a full liberalization of the sugar industry was not seen as a practical solution, as China was not in a position to compete efficiently.¹² At best,

full liberalization would lead to a short-term deterioration of the economic and social situation, and perhaps to unrest. Even though consumers would eventually benefit from cheaper prices, there was a danger against the survival of the industry, which had been so fundamental to the provincial economy. For this reason, the provincial authorities wanted to keep control over the industry, especially since sugar was seen by local agents as having been abandoned by Beijing during the WTO negotiations¹³ (sugar is also a powerful element of economic control at the local level).

On the other hand, a certain liberalization was necessary. Enterprises were in need of capital, which could not be injected by the Central or provincial governments. Technological improvements were also needed. Partial privatization was thus seen as a necessary evil, and the creation of enterprise groups was encouraged. Groups were seen as a way to save on costs, create economies of scale, ease the way for the introduction of new technologies, and, in the end, restore profitability. In the short term, they were tasked with absorbing all the remaining "white tickets" and restoring the balance of the local budgets. In a few years, 15 major groups were constituted with the encouragement of the provincial government, including private groups from Guangxi and elsewhere in China, state groups (some listed in the stock exchange), and foreign groups.

These reforms increased the organizational complexity of the sugar industry, as well as the number of categories of agents who interact at the local and provincial levels. While some of these categories of agents are new, they are often composed of former bureaucrats or agents from the state system who previously worked in the industry. In fact, wearing "two hats" (or two functions, usually one in the industry and one in the bureaucracy) was (and is still) not rare, especially among "semi-retired" people. In this period of rapid institutional changes, there is increasing confusion about sorting individuals under predetermined categories. Agents belong to an increasing (and sometimes conflicting) number of groups, which they manipulate. Thus, the modification of the institutional context is not only due to the top down process, but to a reinterpretation of rules at the local level based on renegotiations among agents: the networks of Granovetter are as competitive as they are collaborative. Consequently, there is no evidence that reforms automatically lead to better performances, as they are "manipulated" at the local level by

agents who tend to favour their immediate interest rather than the general and long-term benefit of the market (an adaptation of the "tragedy of the commons" – Hardin, 1968): decisions made by individuals to protect themselves from risks may paradoxically lead to an increase in these risks later on.¹⁴ This can be best illustrated at the local level.

3.2. Reforms and Markets at the Local Level

An urgent task for the governments was to restore the confidence of the farmers, badly hurt by the difficulties encountered during the 1990s. This was partly achieved in two ways. First, the price system remained unchanged, with sugarcane prices fixed by the provincial authorities. This measure aimed to guarantee and index farmers' profits to the prosperity of the industry.¹⁵ When the market price of sugar increases, the minimum price of sugarcane automatically follows. The result of this system has been to integrate farmers more deeply into the organization of the production (which was seen as indispensable to stimulate their zeal for growing sugarcane); however, in an industry in which the cost of the sugarcane exceeds 50% of the production cost, it has the disadvantage of suppressing an element of flexibility for the mills.

The second means was partial privatization. Some mills were sold to private groups, which were able to repay the IOUs to the farmers. Further mechanisms guaranteed swift payments to the farmers for their sugarcane (payments had to be made no later than two weeks after the sugarcane was delivered to the mills). Nevertheless, these measures only displaced the problem: the long-term survival of the industry goes hand-in-hand with its level of profitability. Private or not, groups cannot inject money continuously. This is a difficult matter because of the serious fluctuations of sugar prices nationally and internationally, and because the mills cannot adjust according to the prices of their inputs (sugarcane, labor, energy, etc.).

Extra mechanisms were therefore added. For example, one of the functions of the state sugar reserve was to create a partial buffer for mills against the international price instability. Yet, the reserve has merely been an element of macroeconomic control, as it cannot by itself guarantee the profitability of the industry. It has to be complemented with measures at the micro level of the firms.

Therefore, it was rational for firms to rely on economies of scale to lower their fixed costs and expand their production bases, and this decision was supported by the provincial government. This was partly accompanied by technological upgrade, and indeed, the average daily pressing capacity of sugar mills increased from 2,400 tons at the end of the 1990s (Ma, 2001) to over 4,000 tons by 2004.¹⁶ Even before their adverse effects were known, these measures seemed necessary, but far from sufficient, to boost the productivity of the industry and to allow it to compete at an international level. As Kaplinsky notes:

In the context of the value chain, "when threatened by competition, there are four directions in which *economic actors* can move; these paths are not mutually exclusive:

- Increasing the efficiency of internal operations such that these are better than those of rivals
- Inter-firms linkages can be enhanced to a greater degree than that achieved by competitors
- Introducing new products or improving old products faster than rivals
- Changing the mix of activities conducted within the firm or moving the locus of activities to different links in the chain (...)" (Kaplinsky, 2000: 31).

The third point is difficult to fulfill in the current situation, while the last one is under consideration and its results are far from guaranteed.¹⁷ Therefore, changes have been mainly concentrated in first and second categories, which are "unlikely to realize a greater share of value chain returns" (*ibid.*). The second point (the constitution of groups) has already been scrutinized above.

Concerning the first point, economies of scale and technological improvements have consequences that are far beyond the abilities of simple technological change to encompass the overall local economic and social organization. With economies of scale, an increased supply of sugarcane for the mills is necessary, which can only be obtained by increasing the production of sugarcane and/or by buying them from more distant locations. Both methods come with potential problems.

Under the current cultivation methods, peasants find it difficult to increase their production enough to feed the

mills,¹⁸ whose daily pressing capacity had sometimes been multiplied fourfold.¹⁹ In order to stimulate their enthusiasm, and to prevent possible unrest, mill managers and local cadres are dispatched to the countryside. Some farmers have also been recruited by both parties during the year to organize the production (from seed distribution to harvesting and transportation to the mills) and to report on the general situation. This practice is facilitated by the fact that the brigades and teams of the Maoist period, which were formally dismantled in the 1980s, still informally exist, at least in some areas.²⁰

Despite these mechanisms, the production of sugarcane is far from enough to fulfill the requirements of the mills.²¹ The other solution is to buy sugarcane from more distant locations, but this is curbed by competition and institutional constraints. More precisely, mills are administratively forced to acquire their sugarcane from specified zones so that each one can secure a minimum amount of sugarcane for its operations. This policy is in direct contradiction with the economies of scale that should go with a reduction of the number of mills. The provincial authorities push for this rationalization, but with limited success. At the local level, the loss of a sugar mill entails lower revenues for the local government, and hence a greater difficulty for it to meet its expenses and a greater risk of social instability.

Consequently a "sugarcane war" has developed. The provincial regulation that peasants are only authorized to sell their sugarcane to a specified mill from which they receive inputs (seeds, fertilizer, etc.) is enforced by the police. Mills also have computerized mechanisms by which they control each field under their supervision (which is especially useful for coordinating the harvesting and the collection of the sugarcane). Despite these measures, which are hardly in line with the principle of a liberal economy, the problem intensified during the 2005/2006 pressing season due to the high price of sugar and therefore the high expected profits. Local governments put in place a coordinated cell, which included representatives from all bodies directly and indirectly concerned with the management of the pressing season (i.e. the sugar bureau, the tax office, the agricultural bureau, the police, etc.). Nevertheless, all these measures did not deter mills and farmers from "smuggling" sugarcane from one district to another.

The above pattern showed how the relaxation measures, like privatization and the determination of the price of

sugar by the market, did not lead to real market liberalization, but rather to a reinforcement of governmental control. Many interests worked to jeopardize this supposed liberalization – which could eventually lead to the death of the industry. The interaction of these different interests explains the current shape of this industry.

For example, the alliance between local authorities and mill managers is still strong, but it has been eroded by partial privatization and by the relationship of the mills with their headquarters. On the other hand, local authorities remain at the centre of the system, as they control rare resources and the population to a certain extent. Nevertheless, this population is still better off than before, thanks to the profits generated by the industry and because it can resort to "voice" or "exit," two options that are feared by the mills and local authorities. In this situation, the social order remains precarious. Even in the context of growth, the future is still uncertain.

Most interestingly, this evolution shows how a reform of the system influenced by a neoclassical paradigm could not be fully implemented. The existing conditions at the local level forced a compromise that led to increased uncertainty. In other words, the measures taken by the agents in order to protect them against this uncertainty ended up increasing it. This situation can be understood only by focusing on the networks between the agents in a systemic way. The multiplication of agents' categories, such as the local authorities, farmers, team leaders, the police, truck drivers, the private sector (or, more precisely, mill managers),²² etc. inflates the networks and helps us understand the shape of the markets.

Conclusion

In this article, it has been shown how the Chinese Government has been pushed to liberalize the sugar industry. This liberalization included the introduction of foreign capital, a certain level of privatization, the lowering of import taxes and duties, and moving into the stock market. The analysis demonstrated that these measures fell short of fulfilling their claimed objectives, due to existing social and economic constraints.

For example, the price liberalization could not be complete, and some mechanisms were introduced in order to link the profits of farmers to those of the sugar mills. It has been shown that the consequences have increased

social tension and the development of a "sugarcane war". There is thus an inherent contradiction in this industry which is under restructuring. As noticed by Kaplinsky, a value chain is a locus for power. With the current restructuring, this search for increased power from the main agents is especially visible, even though it remains difficult to determine which category (or categories) will be the leader(s) of the chain in the future. Many agents have to be included in the analysis – farmers, local authorities, managers, as well as agents who did not appear in the context of this paper, such as shareholders, wholesalers, etc. As a result, despite the huge increase in production, the future of the industry remains unclear, and will depend on future reforms.

In the context of transitional economies, the introduction of liberalization reforms has some interesting effects, since it might also mean a reinforcement of the control of the local government on the industry. In addition, the analysis from economic sociology helps determine the shape of the market. In China, the conditions of well-defined property rights, the respect of these rights and qualities are not present, and they impose a development of the market based on relationships of proximity and networks. More importantly, the type of exchanges – for example, in the case of the sugar industry, the triangular relations between farmers, bureaucrats and the mills' managers – are determined by a path dependency from the Maoist era. More research should be done at the provincial and city level to fully understand how the position of the agents before and after the reform helps shape this specific organization and how likely it will evolve in the future, but it is already clear that the organization of the sugar industry, is indeed in a transitional phase, even though the final outcome is not known. This should call for additional research related to the "social construction of markets" in the context of "transitional economies".

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Endnotes

1The notion of "hybrid forms of organizations", between "markets" and "hierarchy" which is now widely accepted, has been developed by economists and sociologists alike, following the pioneering research of Granovetter and Williamson (both in 1985). For the sociologist tradition, cf. for example, Powell (1990); for the economic views, cf. the debate on industrial districts and the Third Italy (e.g. Brusco). For an application to China, cf. Louis Augustin-Jean, 2000, 2006.

2In this article, the word China exclusively refers to the People's Republic of China (the PRC). It does not include the economies of Hong Kong, Macau, and Taiwan, which are separate economic entities.

3Cf. *Guangxi tongzhi: tangye zhi* (Almanach of Guangxi: the sugar industry), 1998.

4In 2004, the GDP per head of Guangxi was only 7,196 yuan (or just over 700 euros). Cf. *China Statistical Yearbook*, 2005, p. 61.

5China's external trade of sugar varies greatly, but in recent years, imports exceeded exports by about one million tons. As we will see in the third section of this article, the huge price volatility greatly affects the profitability of the industry.

6Cf. for example, the literature review of Fligstein, 2001. More recent research related to the sociology of markets can be found in Steiner and Vatin, 2009.

7For the organization of "physical markets", cf. the classic study of Geertz in Morocco, and, more recently, the stimulating study of Abolafia on the New York Stock Exchange (1996). For China, only a few articles are concerned with such research, the most complete overview being the special issue coordinated by Isabelle Thireau, *Le retour du marchand dans la Chine rurale*, *Etudes Rurales*, 161-162, 2001.

8While there are only few analyses related to market structures in China, many studies are devoted to the evolution of the institutional background, especially in the 1980s and 1990s. For an overview of the reform process in China, cf. for example, Xu, 2009.

9Gu, 2000; Jiang, 2001.

10In some districts surveyed by the author; more than 50% of the district's income comes from tax paid by the sugar mills.

1151% of the final price of sugar in 2005 and nearly 55% in 2006, to which transportation costs and depreciation has to be added. The remaining parts are processing (including wages and financial charges), tax and profits (around 15%). These data were provided by the government of Guangxi.

12For example, the export subsidies of the European Union were considered dumping by a panel of the WTO in 2005. Subsequently, as well as for other reasons that are beyond the scope of this article, the EU has started implementing a deep reform on its sugar industry (Le Monde, 24th November 2005).

13This grievance was voiced by nearly all agents (scholars to civil servant, consultants, factory managers, etc.) I met during my fieldwork from 2004 to 2006.

14The implicit assimilation of the market as a common good favours this interpretation, as participants may not share the feeling that the market is a common good that needs to be protected (as opposed to a natural resource, for example).

15The success of this measure is partial, and sporadic social troubles still occur. Many reasons are put forward: expropriations by the local authorities, corruption, constraints linked to the business practices, etc. Nevertheless, farmers seem now regularly paid, which removes an important source of protest (interviews at the local level with farmers, local cadres and factories' managers, February and August 2005 and March 2006). Other reasons for protest will be detailed below.

16This is still low compared to international practices, but the number of mills with a daily pressing capacity of over 10,000 tons is increasing.

17Ethanol, paper and fertilizer are by-products of the cane sugar industry. Their production is polluting, and subject to intense competitions. In the current situation of high international oil prices, the provincial government is pushing for the production of ethanol, copying the Brazilian experience (interviews with the provincial agricultural bureau, March 2006).

18The yields are about 67 tons of canes per hectare, and the sugar content is about 13 to 14 percent. In Brazil, the yields were 68.3 tons of cane per hectare in the season 2005/2006, and were expected to recover their previous level of 70 t/ha in 2006/2007 (Gain, 2006). This shows that yields increases may be possible, but are relatively limited.

19From 2,500 or 3,000 tons per day to over 10,000 tons.

20The role of the "former" team leaders remains important (Wei, 2006). It is remarkable that the system and the solutions adopted are similar to the practices during the collectivization era. The main changes are that farmers are not forced anymore to produce certain goods, only "strongly encouraged" to do so, and they produce economic crops instead of rice. They also get more financial rewards from their work, which is an important element for stability (Wei, 2006).

21The mills operate at only 70% of their full capacity (interviews with cadres of the provincial and local governments, as well as with mills' managers, August 2006).

22Many managers are former cadres from local governments. The links that exist between these two pillars of authority explain their coordination of action, and provide a stabilizing element to the system. The place lacks to develop this argument further.

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Solidarity and Social Networks – Economic Sociology of International Migration and the Brazilian Case

By Ana Cristina Braga Martes and Dimitri Fazito

Introduction

This article addresses two main points: 1) one of the greatest challenges of Economic Sociology when studying international migration is not only to offer an alternative to the neoclassical economic approach, but also one that, at opposite extremes, results from a certain oversocialization of phenomena; and 2) to show that migration contexts result from relational processes in which the structure of social ties and their actors interact constantly in order to operate different factors at the micro and macro levels.

In simple terms, as argued by Martes (2010), it would be a mistake to substitute "*Homo economicus*" for the "solidary man" model. It is possible to refuse both methodological individualism and the self-interest postulate from the neoclassical economic model and concomitantly avoid reducing the "immigrant" category to a type of social actor who develops intra-community relations based only on reciprocity and solidarity – thereby overlooking the conflict and disputes within immigrant groups.

The history of recent Brazilian emigration flows demonstrates that the role of social networks is really pivotal to our understanding of the diversity related to the formation of immigrant communities abroad. In the Brazilian case, those communities tend to reinforce the sense of social cohesion and self-identification (as with the "Brasiguaios", in Paraguay, and the "Dekassegui", in Japan), as well as a high level of competitiveness (e.g.: the Brazilian community in the US).

Earlier studies on Brazilian emigration to the US (Margolis, 1993, Martes 2000) have already drawn attention to the lack of community associations among Brazilians, and the internal competition for jobs in the labor market. Almost twenty years after these publications, and as a continuation to these issues, studies carried out at other destina-

tions are now demonstrating how the dimension of solidarity, at least in terms of Brazilians, goes beyond associative practices, incorporation processes and the receiving contexts.

In this perspective, ethnographic work and more conventional sociological research are joined by social network analyses in fostering an understanding of the migratory context and its dynamics. The relational perspective aims to focus on social interactions among individuals, migrants or not, which impact on the collective order. Social Network Analysis (SNA) therefore promotes a deeper comprehension as it is based on a relational sociological perspective on the migratory phenomenon.

Analyzing the migration process, Charles Tilly (1990) suggested that the displacement concerns the "social categories" (such as families, cliques of friends, neighborhoods, etc) in which individuals are embedded. Thus, according to Tilly, in the migration process, the individuals' mobility converts into social and physical displacement by means of social networks (i.e., framed channels of social ties). Consequently, those social networks can show how (micro) individual actions are embedded and interconnected through (macro) global chains of social ties between origin and destination sites.

Brazilian emigration, whether bound for countries in Europe, North America, Asia or South America, can be considered an interesting case in showing the limits of ethnic solidarity and how varied social networks might adopt different strategies in the migration process, opening room for either cooperation or competition among immigrants. As such, the social networks would indicate the patterns of social interaction that account for solidarity.

The Brazilian case under analysis therefore proposes a broadening of the empirical research agenda on migrations to include the following topics: conflicts, cleavage, and mercantilization processes within immigrant group rela-

tions, as well as the conditions related to the formation of solidarity networks.

Ethnic solidarity and selling jobs: the self-regulated labor market in Massachusetts

Criticism of neoclassical theory indicates its reductionist bias, in other words, the reduction of the migration phenomena to a deductive hypothetical model whose premise is the idea that migration processes can be explained through the individual's weighing of the pros and cons of the proposed move. However, from a macro point of view, it is anchored in an economic model of general balance: migrants leave poor countries, where there is plenty of available workforce and unemployment, heading to rich countries, where there is need for labor and salaries are better. From these compensating exchanges results a global balance in the regional "labor market", especially if labor and remuneration factors are taken into account.

Alternatives to the neoclassical economic model have been developed for almost two decades regarding this area of knowledge (Portes, 1995; Martin, 1998). Apart from studies directly anchored in New Economic Sociology, several authors have been trying to draw attention to the fundamental dimensions of migratory processes which fail to fit the neoclassical model: migration is a family decision (not an individual one) and relies on networking processes (Taylor, 1986; Maclaughlin 1990; Boyd, 1989; Massey et al. 1987; Fawcett, 1989); immigrant communities generate their own joint stock and build transnational networks at their destination as well; networks stimulate entrepreneurship and social mobility in the receiving societies (Halter, 1995; Waldinger and Ward, 2000; Bonacich and Modell 1980), and immigrant communities build on ethnic solidarity (Portes, 1995).

These authors reach different conclusions via different routes, but they all converge on certain important points: (a) ethnic networks guarantee access to available job posts, especially for recently-arrived immigrants; and (b) granting access to work is motivated/justified by solidarity, specifically "ethnic solidarity".

From this perspective, explanations of the kinds of job to which these immigrants have access, when not referring to companies belonging to fellow countrymen, have largely been based upon two models: market segmentation and the informal economy. Both criticize the neoclassical the-

ory of a labor market. The informal economy model also levels criticism at the dualism and marginality theory, concluding that informality is a particular type of manufacturing relation. On one hand, informal activities are not limited only to poor regions, while, on the other, they may expand both under conditions of cyclical crisis and unemployment, and of economic expansion.

The formal and informal economies should not be addressed as two independent elements, but rather as interdependent ones. Goods and services are produced through informal activities because the formal economy generates demand for such goods and services. Relations between each of these two sectors depend on specific institutional and social arrangements. A formal and informal economy divide is interpreted, therefore, differently to the one established by the segmentation model, which is sustained by the division between monopolist capital and competitive capital. That is because, according to the informal economy model developed by the three aforementioned authors, small firms operate within a captive market, as expanded arms of major companies for which they manufacture their goods. In similar fashion to the notion of a *captive market*, some authors work with the concept of an ethnic niche (Model: 1993). According to Model, ethnic niche occupations are those in which certain ethnic groups (or national groups) manage to secure some advantage in the labor market, for some particular reason. As will be explained, Brazilian immigrants have cornered the cleaning segment in order to secure a competitive edge over other groups.

In this niche Brazilians have carved out for themselves the practice of job selling appears to be quite common, not only in the Greater Boston Area, but also in London. When Brazilians decide to "sell" the houses they work in, they disclose the information through their friendship, family, religious, and neighborhood networks. However, the sale can also take place when the seller does not know the buyer. In Brazilian newspapers in Massachusetts, for instance, there are ads for houses up for sale. The price represents, on average, the equivalent of three months' wages in each house to be sold and depends, therefore, on the number of houses for sale. A cleaner will frequently clean two houses per day, which means that on the weekly schedule, the seller may have, on average, fourteen houses.

Once someone interested in closing the deal is found, the seller talks to the house owner to explain that they are

quitting the job, but that a Brazilian friend, in her trust, could serve as a replacement. If the house owner accepts the candidate, the deal is closed and the payment is made in cash. This transaction takes place without the house owner ever knowing about it. Access to cleaning work means access to an "American home". Consequently, it is a closed access, since it requires trust.

Among Brazilians, cleaning services are seen as a business. Not by chance, many emigrate with the purpose of becoming cleaners and conceive emigration as an option similar to an investment, even an economic investment. By means of cleaning services, they manage to receive payments, with some couples making up to US\$4,000 per month. It allows Brazilians to transform cleaning services into a symbol of status and social mobility. It is not only a house that is being sold, but something capable of identifying those Brazilians who have started to "make money". This fact softens the traditionally female role assigned to house cleaning to the point of attracting men as well.

One's gaining access to an American house as a worker is compared to gaining control over a "post" or "property". The opening of this commerce testifies to the Brazilian immigrants' entrepreneurial talent, but also uncovers an archaic feature of this country's patrimonialist. Selling jobs is therefore sometimes seen, even by the Brazilian immigrants themselves, as a sign of their "Americanization", but also as an expression of the "jeitinho brasileiro", a self-interested mode of behavior, devoid of any community spirit, and indicative of a lack of solidarity.

We shall see below how social networks impact on the solidarity and social cohesion of immigrant groups. At this point, the most important issue to be stressed is that among those Brazilian immigrant groups there was a "market" based on the premises of solidarity. As such, before the employer, the cleaner behaves as if their motivation was solidarity towards the other Brazilian person. The employer, in turn, agrees to hire the 'friend' for the same reason: assuming that the cleaner's motivation is solidarity and not economic interest, but also because, as indicated by Granovetter, accepting a referral for the job reduces replacement costs incurred. The premises of ethnic solidarity are reinforced by the contracted party, by the contractor and the seller. Trust gained by the cleaning person is transferred to the successor, and that is how replacements take place.

It is essential to note that it is not ethnic solidarity (gifting, economically altruistic reciprocity) but a setting of exchange rules (or market rules) that allows this labor market niche to function within an informal economy in developed countries. On the other hand, appreciation of ethnic solidarity, which is the foundation of an ethnic solidarity as a given value, is one of the elements that allow this "job selling" market to exist. This labor market is competitive to the point that it is possible to sell access to it. However, it does not mean that Brazilians fail to show solidarity or create environments and organizations aimed at this purpose.

Solidarity within, competition in between – the role of religious networks

The churches are among those organizations that yearn for and preserve reciprocity and solidarity, and then Brazilians go to churches believing that there they will find an environment defined by solidarity relationships and trust. However, the efficacy of each religious organization in answering the needs expressed by the immigrants is an essential factor in attracting and promoting the envisaged sociability.

From this point of view, gospel churches, being the most flexible ones, have an advantage over Catholic churches. Essential, however, is the way in which the religious community promotes mutual help among their membership, according to their personal needs. Support offered and solidarity manifested among members contribute to the construction of religious and community identities capable of defining "sheltered environments" for socialization. Symbols and values pursued by immigrants, especially related to social ascension, help explain why Brazilians choose to belong to a certain church and not another. In the dispute to attract new followers, gospel churches manage to meet social mobility desires for their appreciation of economic individualism, albeit with the proviso that this should be compensated for by community involvement offered by churches.

Being a temporary and illegal immigrant, the condition of the vast majority of Brazilians – except for Japan - promotes a strong sense of insecurity and disarticulation, as with many other immigrant groups (Sayad, 1998). This condition forces them to continually live with a disruptive sense of groundlessness. All the same, together with this terrible feeling, Brazilians express negative appreciation of the "community" to which they belong. They complain that they cannot trust each other and that there is no soli-

darity among Brazilians. Churches act on this “loose universe”, in order to assign an emotional and cognitive sense to such negative experiences. Incorporating such experiences into the religious field, they redefine parameters, assign a new meaning to old complaints and reinforce the importance of religious work in building “community”.

However, solidarity promoted inside churches fails to spread easily “outside” churches. Whether to attract or to maintain the followers they already have, both Catholic and Protestant churches, compete fiercely with each other, creating a “market” in which different identities, values, incentives and embarrassments are reinforced within or generate a clash outside.

Campaigns to raise funds and support for NGOs in Brazil, or to supply assistance to people arriving in Massachusetts are common practices within these religious communities. Though business also thrives within the churches. In evangelical religious networks, the faithful not only find encouragement toward economic success, but also a “captive market” for the sale of Brazilian foods, gospel-style clothing and other products the Brazilians like and want to continue to consume in the United States.

In the US, the number of Brazilian churches is growing by the day and Brazilians flock to them because they present and reinforce the idea that they can mold a safe space of sociability, assistance and solidarity in an environment considered highly competitive and geared towards the acquisition of material goods.

The selection process that characterizes Brazilian emigration to the United States and to Europe rarely attracts social segments other than the middle class. People from less privileged backgrounds find it all but impossible to secure the resources and access to the networks that configure Brazilian emigration to the northern hemisphere. Brazilians started emigrating to the United States en masse in the 1980s and have continued to do so ever since in a bid to avoid the threat of social descent, especially when they cannot find access in Brazil to certain types of human capital, especially a university education, which might have helped them fill their gaps, further their aspirations and boost the real conditions available to them on the Brazilian labor market. We are therefore talking about people who are already interested in acquiring material goods and increasing their consumer power. These characteristics are important if we are to understand the differences between the Brazilian immigrants in the United States and the Bra-

zilian immigrants in Paraguay, the subject of the following section.

Social networks within the Brazilian immigrant community in Paraguay

As a matter of fact, the recent spread and increase of Brazilian flows to the US and other countries seem to point toward the strengthening of an autonomous migration system, that is, a very structured domain of population displacement which interconnects diverse regions of origin and destination with its own network structures, culture, institutions and rules. In addition, the consolidation of such migration systems implies the formation of an environment needed for the diffusion of the so-called “culture of migration” and the “migration market” (Guilmoto and Sandron, 2001).

Regarding migration theory it seems reasonable to suspect that migration systems have durable key patterns shared by diverse countries and flows as well as emergent singularities dependent on the contexts of individuals and collectives engaged in the everyday transactions. For instance, the patterns of Brazilian flows to the US are quite different compared to the Brazilian flows to Paraguay. While in the US the Brazilian community is murky and fragmented, in Paraguay the Brazilian influx has recently congregated around local border cities to form a mild Brazilian transnational community (whose members are the so-called “Brasiguaios”, see Marques, 2009). As such, despite similarities between these flows (such as a heterogeneity of migrant profiles and places of origin), and given that migration contexts are almost never the same, we may find different (and even divergent) outcomes in varied parts of the Brazilian migration system.

Thus, the Brazilian immigrant community in Paraguay seems to be in the process of expanding and consolidating bonds of solidarity, whereas the Brazilian immigrants in the US are far from a cohesive and supportive community. Such differences in the trajectory of community formation evince the central role of social networks in the migration process and the process of immigrant embeddedness at the destination sites (Fazito and Soares, 2010).

Historically, the emigration flows of Brazilians to the US and Paraguay began around 1980 but evolved differently because the social structure from which the flows came evidenced diverse social actors and networks. The Brazilians who migrated to Paraguay in the early 80s were

mainly landless and very poor peasants living near the international border. The mass movement of displaced peasants from the Southwest region of Brazil to Paraguay increased not only because of the economic crisis that imposed shortages in the local labor market, but also due to the presence of strong existing networks based on kinship and domestic economic ties (Sprandel, 2004; Marques, 2009). So, the Brazilians who out-migrated to Paraguay had a very strong communitarian background and cultivated their original bonds even on the other side of the border. At their destination, the Brazilians formed small communities that recalled their original social organization and sustained a kind of social web across the communities near both sides of the border. From such a configuration of solidarity bonds and social cohesion, the Brazilian migrants, upon returning to Brazil in the mid-80s and early 1990s, founded the Brazilian civil movement of landless peasants (the so-called Movimento dos Sem Terra – MST) suggesting a strong commitment to continued cooperation. However, at the same time, the Brazilians who went to the US departed from very different social contexts and established diverse crossing and integration strategies. In addition, from a relational perspective, compared to Paraguay, it is evident that the destination sites in the US provided quite different institutional and social resources to Brazilian immigrants, which would help to explain such a discrepancy between those two fronts of migration.

More clearly the successful adaptation of the immigrants in the destination societies and their integration in the local labor market depends not only on the amount of human capital they possess, but also on the migration context in which the migrants negotiate material, symbolic and expressive resources in order to attain their position in the web of social relations and consolidate their power – such power conveys the assignment of identities as well as the ability to (re)make the rules of social classification.

In this sense, the early arrival of huge flows of Brazilian migrants in poorly inhabited regions (the Eastern Paraguayan chaco) set the routes for the accumulation of strategic resources over time, such as land, manpower, social influence in negotiations with public authorities and new social ties (especially kinship with native Paraguayans). Again, the social networks established between the origin and destination could rely on Brazilian political and economic strategies at the border, and then by the end of the 1990s important cities along the international border flourished on either side, increasing the social capital of the Brasiguaios, and the wealth and political power of the new

Brazilian immigrants (a different migrant characterized by higher social background). As Marques showed, many communities at the border seem to shape their social identities according to the social networks of migration at origin and destination sites, thus strengthening the social cohesion of an earlier transnational community. However, at the other extreme, the recent diversification of Brazilian flows into Paraguay (i.e., different socio-economic backgrounds at the origin and the formation of new Brazilian communities based on rich and powerful landowners at the destination) promotes new social settings in which competition between the generationally distinct Brazilian immigrant communities tends to increase and destabilize the original communitarian way of life.

Hence, an economic sociology of migration demands the reasoning of the patterns of interaction that relate agency and social structure in the formation of migration systems. In the case of Brazilian migration to the US we shall see that two major factors would account for the trends in the process of immigrant adaptation and integration in the labor market, which might in turn explain the consequential feebleness of the Brazilian immigrant community in the US. Unlike the Brazilian migrant community settled along the Brazilian-Paraguayan border (and also the Brazilian immigrant community in Japan), in the US, the Brazilian immigrant community seems to be related to a diverse configuration of social networks which structured communities to maximize “external” competition instead of social identification, cohesion and solidarity.

Those factors should be thought of as endogenous variables that regulate the migration process and could be summarized as follows: 1) the network closure factor.

Social networks and the migration market

If the social structure resembles a network sewed by layers of social networks, then we should conceive the so-called migratory network as a kind of social network embedded in a very specific context of spatial and social mobility. In other words, since the migration process is a social and collective effort the social networks that stand in the migration context should operate locally the social interactions between migrants and non-migrants in the community, leading to the behaviors and attitudes that govern human spatial displacement.

Thus, we might imagine the entire process of international migration (taking all communities of migrants and non-migrants at the origin and destination sites, as well as global and local markets and the States) as a big social structure composed by global social networks that encompass entire communities which unfold various local social networks that are connected to other local social networks, and so on. These social networks expose the boundaries of a field of social interactions traversed by migration issues negotiated by individuals and groups in everyday life. As Tilly pointed out (1990: 81), the migrant pioneer, the so-called *self-made man*, is nothing but a mythical image that decries the migrant condition, which is essentially the interdependent nature of individual and collective actions focused on social and spatial displacements. The decision to migrate is therefore anchored in a complex social setting that entangles global and local structural (network) properties with which individuals and communities interact.

Consequently, there must be a pattern of social interactions among individuals within and between groups which characterizes the processes of migration. For instance, the Brazilians who migrated to Paraguay (the waves from 1980 to 1995) had similar social and cultural backgrounds at their destination and usually succeeded on the local labor market due to their belonging to a very cohesive and integrated immigrant community. On the other hand, the Brazilians who migrate to the US face a different social setting in which very locally and clustered communities compete with each other on the labor market. Since social networks regard patterns of social interaction of many different types (economic transactions, emotional ties, political hierarchy, etc) and levels (micro and macro), we could say that the migration process is associated with the social networks while individual action toward migration is embedded in those patterns of social interaction that support collective norms, values, hierarchies and roles, connecting individuals and groups at the origin and destination sites. And so, these connections between individuals and collectives are responsible for shaping the migration projects of individuals and groups (including success in the labor market).

Guilmoto and Sandron (2001) suggested the idea of a "migration market" that would be made up of economic and social institutions, community values and social networks which drive the migration process – the migration market is not only a special type of labor market because it is also regulated by cultural values, social institutions and

networks of people and groups. In addition, the author pointed out that, especially in the developing countries where the "migration market" is provided with weak migration institutions (like inefficient hiring system, weak trade unions, poor means of transportation and communication, and inept labor policies) the social networks in the migration context tend to operate broadly and intensively as a counterbalance to the precarious distribution of strategic resources (information, income and emotional support). Also, they suggest that those societies where the "migration market" has poor economic institutions will eventually be occupied by "phony migration institutions", such as illegal labor hiring agencies, which may propel massive irregular migration. In Brazil, weak migration institutions have opened room for the creation and expansion of an irregular migration system based on what Fazito and Soares (2010) called the "institutional network of the Brazilian industry for illegal migration". Local agents (called the "Consul") are the major brokers who connect the migration markets of small cities like Governador Valadares to big metropolises like Miami, New York or Boston, making the Brazilian migrants' dream come true. Those networks are organized and controlled by local and global brokers, interconnecting local agents (who recruit migrants and provide forged documents and visa) with global intermediaries (like the Mexican coyotes at the Mexico-US border, and the brokers on the American labor market, providing usually irregular jobs).

However, in those societies with well-structured labor markets (with weak informal sectors) and strong economic institutions, the local social networks do not tend to be enmeshed and concentrated in one unique framework like the migration context, and so the individuals will avail far less of their personal contacts to provide strategic resources geared exclusively toward migration. In other words, in prosperous societies the social networks are not exclusively related to the migration market and the social actors tend to have more opportunities for entering the local labor markets.

One should keep in mind that the discrepancies between developed and developing societies shaping the "migration market" are relational and have complex effects concerning the production, distribution and consumption of strategic resources for migration. That is to say, the local labor market in the US is interconnected with local labor markets elsewhere in poor and developing countries. So, the networking effects contribute to the formation of a global migration market in which varied local networks (i.e., local

communities and markets) interact. However, the factors that support migration social networks may exert quite reverse effects in the behavior and attitudes of migrants and non-migrants at the origin and destination, even in the same migration system. For instance, the case of Brazilians who emigrated from the same communities and compete fiercely with each other in the local labor markets in the US because of divergent social networks at the destination area – in these cases, social status, cultural values and institutions can represent and accentuate conflict (not only among individuals but also among groups).

Network closure and the brokerage factors: social capital and solidarity in migration

The social networks in the migration process pose the question of social capital formation and the channels for decision-making and solidarity concerning migrants and non-migrants at the origin and destination sites. Studies in the social sciences have tended to depart from a *substantialist* view of the so-called social capital that is equated with social cohesion, trust and solidarity. Social capital is treated here as relational resources arranged by the topology of social networks in which the individual action is embedded. Also, Lin (2001:12) authoritatively pointed out that, in addition to the social positions embedded in the social networks, social capital should also be understood as a set of material and symbolic resources. We can therefore conclude that social capital is a social network property which can be used, disputed and manipulated by all individuals and groups interconnected in the social context.

Network closure is a process of stabilization of individual actions toward collective order that allows for social properties manageable by individuals, such as trust, cohesion and solidarity. Both strong and weak ties spreading through intermediate social actors can bring about network closure, strengthening social cohesion and cooperation among individuals. In the opposite direction, the idea of structural holes in social networks emerges from the perception that the social fabric is not homogeneous and that the embedment of individuals and social actions can lead to different effects on cooperation or competition.

Accordingly, the sparse density of external relations in-between key positions and roles in the social fabric and its correspondent weak ties tend to generate structural holes, that is, *bridges* that can be occupied only by certain actors

who will be able to intermediate social interactions between distinct social positions (Burt, 1992:23).

Burt suggests that the structural holes are properties of social networks which view social capital as a fundamental strategic resource in the individual social embedment process. The individual who is in-between other social actors should be able to manipulate the strategic resources mounting up in the structural holes. This *tertius gaudens* is seen by Burt as a *broker* who benefits instrumentally from her position in the network topology. She can also cooperate and provide resources for the entire community, but until the equilibrium (stabilization of the collective order) is achieved she will profit more in the short run and so she can stimulate competition and change (Burt, 2000:13). Burt sees brokerage activity as a necessary function in order to guarantee the social dynamics. The broker operates in the social fabric where she manipulates the social capital attained in empty structural positions. According to this perspective, trust, solidarity and social cohesion are reinforced by brokers (and structural holes) in the long run when equilibrium is achieved from dynamic and intense competition between different social groups and/or individuals. Of course, the duration of competition prior to equilibrium will vary depending on the social context – so we could think that migration flows connecting different sites of origin and destination would evolve diversely in dynamics toward both competition and cooperation.

Towards the unification of both factors, network closure and brokerage, Lin (2001: 11) insists that social capital is fundamentally a strategic resource associated with the position occupied by the actors in the social networks. In both the network closure and brokerage perspectives, social capital results from the unique position (the vertex and its edges) occupied by the social actor. In addition, Lin argues that social capital should be measured in terms of the network resources (the structural property) and contact resources (the individual property) attained by the social position. According to Lin, it is not enough for the actor to occupy any favored structural position because he or she also needs to identify the reciprocal expectations of other actors in the network and then evaluate the correctness of a specific instrumental action. Such individual action can reinforce competition at the expense of group cohesion and solidarity, or it can observe normative constraints and preserve collective order towards cooperation in the long run.

Coming back to the Brazilian migration system we could portray different scenarios for social capital production,

distribution and consumption concerning migrants and their communities (at the origin and destination). Thus, in the case of Brazilian immigrant communities, one should expect that more solidarity and internal cohesion would come into sight from the pace of network closure among Brazilians and the intensity of brokerage between Brazilians and non-migrants – this could be synthesized by the counting of existing triads and the proportion of Simmelian ties in strategic social positions. On the other hand, due to low densities within immigrant communities and few and weak ties connecting immigrants to their communities at the origin, one should expect to find an unbalanced situation where competition among immigrants would prevail at the expense of solidarity in the long run.

To illustrate the first case, the earlier Brazilian immigrants in Paraguay (Sprandel, 1992; Marques, 2009) and the contemporary Brazilian immigrants in Japan (Oliveira, 1999; Ribas, 2003; Sasaki, 1999) present a stronger sense of community and denser social networks at their destination site. The high density of networks is reinforced not only by common origins (social status, ethnic identity and historical roots) but also by the migration system topology (to Paraguay and Japan), which induces the social closure of triads – there are very few (and some preferential) destination sites, and a limited number of origins, and the institutional networks (the brokerage system in the migration market) are largely unified in acting against the diversification of, and competition among, channels and agencies in the migration process (Fazito, 2005). Consequently, the Brazilian communities in Paraguay and Japan tend to be more cohesive and unified regarding the local migration and labor market. For instance, in Paraguay, Brazilians take part in political movements to express collective demands, and families promote social gatherings to strengthen kinship ties in order to get in touch with other families and friends at the border (Marques, 2009). In Japan, the recruitment agencies develop strong connections with communities of Brazilians at the origin and destination in order to spread the news about job opportunities.

On the other hand, the Brazilian community in the US is much more fragmented and diverse regarding their social ties at the origin and destination sites. Besides the fact that the Brazilian community in the US is bigger than that of Paraguay and Japan, this immigrant community also has a very heterogeneous social profile, fragmented social ties concerning the local labor market, and a highly competitive institutional network of migration brokers. Migration network density therefore tends to be lower and more apt

to the formation of structural holes and the intensification of competition between different groups of migrants at the same destination sites.

Summing up, we could say that the Brazilian communities in Paraguay and Japan tend to social closure, inducing cohesiveness and cooperation concerning social life and integration in the local labor market. In a different way, the Brazilian community in the US tends to present more competition between diverse social groups and institutional brokers that occupy plentiful structural holes.

Distinctive social contexts and solidarities in the Brazilian migration process

As we showed, while the migration process involving the Brasiguaios (to Paraguay) and Dekasseguis (to Japan) did not fuel brokerage and stiff competitiveness among Brazilian communities, the migration process to the US overtly stimulated fierce competition between local fragmented groups at the origin and destination.

In the 1990's the Brazilian migration flows to the US increased despite the hardening line of American immigration policy. However, migration competition rose in equal measure to the risks of international migration, because the majority of Brazilians had to rely on increasingly fragile and illegal crossing strategies (Margolis, 1994; Fazito and Soares, 2010). This did not happen with Brazilians crossing to Paraguay or with Brazilians out-migrating to Japan. New intermediate organizations appeared in the Brazilian migration system concerning US connections, launching the definitive phase of brokerage and establishing the migration market. The "institutional networks of migration" evolved rapidly and propelled a very competitive and multifaceted migration market related to the US – concentrating their efforts on the expansion of the "industry of illegal migration" (Margolis, 1994). In fact, Fazito and Soares (2010) studied the migration context in Governador Valadares, Brazil, to explain the decision to migrate irregularly to the US. The authors show that returned migrants who benefit from their migratory experience, and especially from their personal contacts, tend to operate as brokers on the migration market. Because they combine strong ties in intimate social circles with the arrangement of weak ties with other brokers in the wide-open migration system, they are able to offer different strategies of displacement and many scarce resources – like trust based on strong ties, and secure border crossing based on weak ties with other

broker organizations at the Mexican-US border. By these means, the returned migrants have become the most powerful brokers of the migration market in diverse Brazilian communities at origin and destination sites.

Although many Brazilian brokers use strong ties to secure market share, their instrumental action is not detached from collective surveillance and it is really common to find examples of tensions and conflicts between brokers and the communities (Margolis, 1994). Fazito and Soares (2010) found that the brokers usually mislead potential migrants, convincing them that the border crossing strategy would be advantageous because they share a sort of strong tie (they could be distant cousins, for example). But in fact the brokers, guided by fierce instrumental action, will take special care only for those migrants that paid enough, and when unsuccessful crossings take place conflicts flare inside the communities. Thus, the increasing competition in the migration market also brings more instability and internal conflicts in the communities at both the origin and destination sites.

Finally, an exogenous factor is now operating in the US-bound Brazilian migration system. Since the Brazilian community is originally fragmented and multifaceted the institutional context of migration that connects different places in origin and destination has contributed to amplifying a distinctiveness of value systems even on a micro level. Hence, the Brazilians seem to prefer to emphasize regional and status differences over similitude, which means solidarities cannot arise (Martes, 2010). Moreover, as great admirers of the American lifestyle, when Brazilian migrants come to the US they strive for complete embedment in the American society, disdaining the Brazilian values that could be supportive of a sort of nationhood solidarity. In the US, the Brazilians want to thrive.

Conclusively, it seems that the formation of a Brazilian transnational community in the US is far from concretizing. We saw that there is a chain of facts that has prevented the Brazilian immigrants from creating a unified and cohesive community in the US. Maybe with the consolidation of some broker organizations that are internally committed to a more pervasive system of values (especially those religious organizations defending entrepreneurship) the future might see new migrant waves profiting from strong and weak ties as well as cultural values in order to empower the Brazilian immigrant community with stronger solidarity.

Concluding remarks

We have pointed out at length the variation of social contexts in which the Brazilian migration process evolves, and we showed how the structural patterns of social ties (i.e., the social networks) set down the space for migrants' decisions and insertion in the migration market. As we have seen, the solidarity among Brazilian immigrants emerges differently depending on the original social contexts (the concrete web of social ties), the presence of migration institutions and the individuals' perception and ability to act strategically according to their social position in the migration market.

Although the three main Brazilian immigrant communities worldwide (in the US, Paraguay and Japan) have very different stories that delineated diverse social settings, we could devise the explicit relational mechanisms of social networks operating to establish solidarity within those communities. The Brazilian immigrants in Paraguay and Japan tend to reinforce internal social cohesion and solidarity based on the network mechanism of "closure" – that is, migrants are connected mainly along strong ties (based on kinship and friendship from original sites), and migrants are also less dependent on institutionalized channels (where "trust" is not a given). Rather differently, the Brazilian immigrants in the US tend to stir up competition especially between segments from different social classes/ social status or communitarian origin.

Therefore, while one can envisage a sort of transnational Brazilian community tentatively burgeoning along the Brazilian-Paraguayan border and in Japan, the same is not true for Brazilian immigrants in the US, where brokerage presides over weak ties between fragmented local communities.

Additionally, we suggested that social networks do not always promptly induce solidarity (i.e., cooperation and social cohesion) because, depending on the mechanisms of brokerage in a specific social context (like that of Brazilians in the US), competition will set in, based mainly on the strength of weak ties.

Too often, the "immigrant" category tends to be considered, first and foremost, in an oversocialized way, specifically in terms of a different kind of over-socialization. Our aim was to show that solidarity cannot be taken for granted in studies on immigrant groups. Conceptually, the notion of solidarity is constitutive of the "ethnic group"

category. As such, concrete social practices, whether solidary or otherwise, ought to be taken as a subject of investigation as opposed to being treated as analytical presuppositions or as an intrinsic quality of the subject under study. Additionally, social practices that emerge within immigrant communities should be considered simply as reactions to, or reflexes of, the social environment in which they strive to make their space. The migratory process is wrought of concrete social practices that pervade the possible articulations between the two fields: origin and destination. In this sense, there is a set of standardized and distinct social practices among Brazilians, even if heterogeneous, and these will be re-contextualized in specific ways in Paraguay and the United States.

This is why one can speak of solidarity among the peasant settlers in Paraguay, who have articulated their own migratory process around the Landless Movement. However, the same could not be said were we to examine the relations between these Brazilian immigrants and their fellow countrymen who moved to the same country and the same time but are today major landowners. In this case, social class leaves a definitive tear in the Brazilian immigrant contingent.

In the US, Brazilians commercialize jobs that, in other groups, are usually offered as a gift; in other words, as an expression of intra-community solidarity. Even so, solidarity does not exclude interests, and one must not forget that immigrants are attracted to competitive societies. In these societies, market situations and economic interests are present, even if they do not exclude social solidarity. In religious networks, a sense of community is strengthened by practices and expectations that encourage solidarity. These are environments in which trust prevails, albeit not at the expense of the pursuit of economic ascension and the acquisition of consumer goods as part and parcel of "the good life" (especially in evangelical churches).

As a result, it is necessary to explore both solidarity and competition networks as new challenges to migratory studies whose complexities seem to deserve a more detailed empirical investigation. Analogously, it is also important to loosen the notion that internal conflict and low degrees of solidarity are the direct results of the way low-skilled immigrants tend to suffer a hostile reception at their destination sites. Obstacles to social insertion in the receiving nation are not enough in themselves to determine standards of inter-communitarian socialization let alone their fragmentation. This over-socialized view of the immi-

grant not only overlooks so-called cultural baggage, but also fails to take into account the social standards and institutions at the country of origin, as these both pre-date the emigration itself and help form the migratory networks.

Today, one would do just as well to avoid victimizing the immigrant as shun romanticized portrayals of the communities they build.

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Issues of Chinese Economic Sociology

By Laurence Roulleau-Berger

Introduction:

Economic sociology has emerged quite rapidly in China, as if hastened by the country's major economic, social and historical transformations. As sociology was being reinvented in mainland China, economic sociology developed as a branch of the discipline in its right and is now designated as such by Chinese researchers (Roulleau-Berger and Guo Yuhua, Li Peilin, Liu Shiding, 2008). However, Chinese economic sociology has moved away from European forms of the discipline in order to develop within a given context in which it is associated with the construction of a society's narrative, that of a society undergoing massive and simultaneous transformations in the economic, social and political spheres (Sun Liping, 2007; Li Peilin, 2005). While the American founders of economic sociology were certainly an influence on the construction of research objects in Chinese sociology, its boundaries are now defined by questions that differ from those being addressed by the new European economic sociology. The approach to economic sociology that has developed in China has been based, firstly, on a shift away from a Eurocentric perspective and, secondly, on the adoption of an epistemological stance uninfluenced by any form of 'methodological nationalism', to use Ulrich Beck's expression (Beck, 2006). Once sociologists working in the field of economic sociology in China had embarked upon this epistemological exercise, it became possible to say that the boundaries of the discipline are marked out by the following research questions:

- the transition to the market economy and social stratification
- labour markets, segmentation and discrimination
- local markets, property rights and privatisation
- forms of unemployment and "informal jobs"
- new forms of resistance and collective action

■ the emergence of new objects of research.

1. Transition to the "socialist market economy" and social stratification

For most Chinese sociologists, transition and social stratification must be considered together. "The transition to the market system" (Li Lulu, 2008) is a key concept in describing the evolution of China over the 30 years of its economic reforms. Since the economic reforms were launched, Chinese society has become increasingly stratified and diversified in terms of the constitution of the socio-occupational categories, which are grouped by the sociologists of the Chinese Academy of Social Sciences (Beijing) (Lu Xueyi, 2001, Li Peilin, 2002b, Li Chunling, 2005a, 2005b) into four social classes: the upper classes, the middle classes, the working classes, and the inactive, unemployed and partially unemployed. These sociologists emphasize the increasing complexity of the social structure, the differentiation of social groups, the diversification of social trajectories and the inequality of access to social mobility. Inequalities in income are increasingly opening up between the different social classes; incomes are stratifying and the wealth created by investment and the new modes of consumption is accruing to the high-income classes, opening up new gaps between them and the working classes (Wang Shuixiong, 2007).

Indeed, while a class of wealthy Chinese is developing and new political and cultural elites are emerging, the status of workers and peasants has declined; the main obstacle to upward mobility among peasants is more a product of the inability of industrialization and urbanization to create sufficient non-agricultural jobs. Chinese sociologists believe it is intragenerational mobility rather than intergenerational mobility that better explains the structural changes that have occurred since the reforms. They have shown that, while possession of economic capital was a decisive factor in social mobility before 1949 before becoming a negative factor between 1949 and 1980, cultural and economic capital have become decisive factors in the ways in which social mobility is constructed today (Li Chunling, 2008). Economic capital, social capital, cultural capital and political capital are the concepts used to analyze how they combine in various ways in a diverse range of differential trajectories and

non-linear forms of mobility that bear witness to the emergence of a class-based society. Social mobility, it is argued, is characterised more by small movements within the social space and gradual transitions from one position to another than by very pronounced changes. Li Chunling (2008) explains the paradox of the Reform. It has increased the opportunities for mobility and at the same time made the boundaries between social groups clearer, with the elites maintaining their position, for example. This paradox seems peculiar to Chinese society and requires Chinese sociologists to work simultaneously on the process of differentiation and on that of social fragmentation, whereas in French and, more broadly, European sociology, they were investigated successively.

Li Lulu, for his part, has shown how, in the transition to the planned economy, the social structure was being reproduced on the basis of the changes on the economic system and institutions and in the relationship between state and market. His starting hypothesis is that social inheritance has played a determining role in the restructuring of social relations, in the development of the market economy and in the weakening of the state's role in constructing systems of redistribution that produce very active and permanent processes of social reproduction in Chinese society. He explains how the process of maintaining social privileges and acquired positions takes place on the basis of hidden restructuring strategies. Li Lulu puts forward the hypothesis that social reproduction is a dualistic process based, on the one hand, on the established power imposed by the state and its institutions and, on the other hand, on the imposed social and symbolic supremacy of dominant groups, which causes social relations based on dominance to be internalised. This theory echoes Bourdieu's theory of genetic structuralism, although the forms of reproduction and social domination are analyzed as being situated in a social context in which established power and symbolic dominance are constructed on the basis of cultural, social, institutional and political orders linked to the history of Chinese society.

Finally, Li Peilin (2008), Lu Xueyi (2002), Li Qiang (2002) and other sociologists emphasize the different forms of social fragmentation that are emerging in a context characterized by the synchronous processes of economic transition and structural transformation. They identify an initial fault line between the cities and the countryside, a second one between blue-collar and white-collar workers, but more specifically between the *nouveaux riches*

and blue-collar workers, and a third between those who work in the market economy, which gives them access to recognised employment statuses, and those who are forced into informal employment in the illegal or even criminal economy. In this regard, sociological analyses converge around the idea of a very marked fragmentation between cities and the countryside which, it is argued, had created a dualistic socio-economic structure before the reforms, particularly by means of the *hukou* system, which in itself constituted a principle of social differentiation that produced two systems of different statuses that could not be superimposed on top of each other. Li Qiang (2005) subsequently showed how this urban/rural dichotomy is going to break up to some extent as a result of increased migration and contribute to the emergence of an urban underclass made up of these low-skilled migrants who enjoy a status in their villages and then lose it once they move to the cities.

2. Labour markets, segmentation and discrimination

In their efforts to shed light on the major economic changes associated with the social transition, sociologists take as their starting point the emblematic form of socialism known as *danwei*. The notion of *danwei*, or work unit, did not emerge until the late 1970s; it denotes a specific characteristic of Chinese society (Li Hanlin, Li Lulu, Wang Fenyu, 1995; Li Lulu, 1993), namely a mode of organization based around the workplace in which, until the second half of the 1990s, work units were responsible for improving living conditions through a policy of public works, the fight against unemployment and the implementation of health programmes. The *danwei* was a system of economic organisation that created social cohesion and underpinned a social structure dominated by the state, which decided on the ways in which power was to be distributed and resources allocated to workers depending on their level of qualifications, seniority and working time as well as their political attitudes and social behaviour (Lu Feng, 1989; Li Hanlin, 1993; Li Hanlin, Li Lulu, Wang Fenyu, 1995; Li Peilin, Zhang Yi, 2000; Li Hanlin Li Lulu, 2003). It has been analyzed as a locus of state domination and, at the same time, for the adaptive strategies developed by Chinese workers in autonomous micro-spaces beyond state control and surveillance (Li Meng, Zhou Feizhou, Li Kang, 1996).

The *danwei* emerges as an economic and social form inherited from the former socialist system that was to weaken during the transition period and fragment into several different economic institutions, such as private companies, joint ventures, rural enterprises, TVEs etc. Analysis of the *danwei* was to remain a relevant research object in economic sociology, but sociologists were increasingly to focus their attention subsequently on the construction of Chinese labour markets. This form of enterprise was to become increasingly autonomous from the state and its outlines are becoming increasingly difficult to define. It is obvious that the *danwei* cannot be compared with any contemporary economic forms in Western Europe.

Chinese sociologists were to go on to show how the *danwei* gradually weakened as a result of the reconfiguration of the Chinese labour markets that started with the reforms of 1978. After all, until the economic reform of 1979, the Chinese labour market could be defined primarily as an apparently homogeneous state-controlled market whose rules, conventions and regulatory standards were produced, set forth and put into practice by the Chinese government. From the early 1990s onwards, the issue of labour market formation became a subject that attracted attention from many researchers. From the mid-1980s onwards, labour markets were to be differentiated and segmented in a context in which a form of capitalism coexisted with what remained of a planned economy; they were also to be differently constructed from region to region (Li Peilin, 2002b, 2005; Chen Yingying, 2005).

From the late 1990s onwards, Chinese sociologists, who were becoming increasingly aware of the question of networks, first revisited Polanyi's Great Transformation theory then that of Burawoy, which was based on the Second Great Transformation and is concerned with the changes in the market in contemporary Communist societies. Shen Yuan (2006) subsequently advanced the hypothesis that China was at the meeting point between these two major transformations. Labour markets, conceived as economic institutions with their origins in this dual Great Transformation, are described as social constructions linked to a communist order; they have produced significant structural changes and led to a re-stratification of society. At the same time, the effects of globalization on the Chinese economy are creating new forms of economic coordination in labour markets and the reconfiguration of labour markets is viewed as

closely linked to the rapid and very dynamic process of social stratification currently taking place in Chinese society. Thus the process of social stratification reflects the various forms of segmentation that are emerging in labour markets. These analyses of the segmentation and reconfiguration of labour markets also make mention of the impacts of technical, technological and organisational changes on the flows of goods, products and people in rural and urban spaces (Qiu Zeqi, 2008).

From the 1990s onwards, American theories on labour market segmentation, particularly the dual labour market hypothesis (Piore, 1980), were widely deployed by Chinese sociologists seeking to account for the changes that had taken place. Li Qiang (2002), Li Peilin (2002c) and Li Chunling (2005b) advance the hypothesis of a Chinese labour market split into two, with a primary market for well-paid, skilled workers, who enjoy good working conditions and social protection, and a secondary market, in which poorly paid, unskilled migrant workers come and go as they find temporary employment, usually with bad working conditions. However this theory is reinterpreted and adapted to the Chinese context, with three ideas being incorporated into the existing theory:

- firstly, the *hukou*, a specifically Chinese political arrangement, actively contributed to the dualisation of labour markets;
- secondly, despite everything, a 'migrant worker elite' develops in segmented labour markets, which then becomes established in urban areas;
- thirdly, secondary labour markets provide broad access to what Chinese sociologists call "informal jobs" (without contract or temporary, part-time, seasonal, flat fee, etc.), which now account for half of all urban jobs and are characterised by instability and irregularity (Zhang Yan, 2009).

Thus the figure of the migrant worker, the *nongmingong*, has become a truly emblematic one for sociologists seeking to understand the processes of reconfiguration, segmentation and precarisation taking place in Chinese labour markets, as well as raising the wider question of domination, discrimination, violence and resistance in Chinese society.

Some authors (Guo Yuhua and Shen Yuan, 2008) use the concepts of hegemony and despotism to analyze industrial relations in Chinese labour markets, especially those between employers and the *nongmingong*, and to shed light on the ever increasing flexibility that produces situations of social downgrading based on the very strong forms of control and violence that exist in labour markets. In order to understand how Chinese sociologists come to talk of hegemony and despotism, it is necessary to give an example of a situation faced by the *nongmingong*. In a survey conducted by a group of researchers (Shen Yuan, Guo Yuhua, Lu Huilin, Fang Yi, 2009) from Beijing University and Tsinghua University among hundreds of migrant workers working in Shenzhen with pneumatic drills and who had contracted lung cancer because of a lack of health protection, three factors were identified as contributing to these 'lethal' work situations:

- no attestation of employment and therefore no health benefits or obligation on the employer's part to pay hospital costs;
- a low trust relationship between the *nongmingong* and the contractors, who hire them through so-called *guanxi*, who in turn exploit the workers at their will, rendering them completely dependent;
- the complicity of local government with employers in non-compliance with laws on working conditions.

When the *nongmingong* from one village did not want to do the work for fear of dying, other workers from another village took over from them, despite full knowledge of the situation. The researchers spoke of a "deadly relay race".

Several Chinese sociologists have shown how, with the decline of socialist institutions, a process of decollectivisation and individualisation is taking place that is depriving certain categories of workers, among them the *nongmingong*, of social, legal and economic rights. The notion of access to citizenship is then deployed in order to analyze discrimination in labour markets. The situations of discrimination and domination are seen as resulting from a conflict or clash between the old socialist regime and the new capitalist regime: in the midst of a process of transition in which the influence of communism is still present, the capital, power and control asso-

ciated with a capitalist regime come together in a specific way.

3. Local markets, property rights and privatization

From this same perspective, various sociologists have shown how fundamental it is to distinguish local markets from domestic markets and rural markets from urban markets if we are fully to understand how the dual process of economic transition is taking place in China. Following the decollectivisation of the early 1980s, there is one phenomenon in particular in the process of transition that has profoundly transformed rural areas that is of crucial importance to any attempt to understand the social construction of local markets. This is the development of non-agricultural rural enterprises, known as township and village enterprises (TVEs). This phenomenon has been extensively studied. TVEs are collectively owned industrial enterprises that came into being in rural local markets during the first phase of the economic reforms (1978-1992). Over the past decade, because of growing competition from large urban firms and financial difficulties, these companies have been forced to diversify their ownership; whether they have become collective enterprises, share-based cooperatives, limited liability companies, private enterprises or individual enterprises, they all have been drawn into the trend towards privatisation (Aubert, 2006). According to Xiaoye Zhe and Chen Yingying (2006), the boundaries between different ownership regimes and their modes of regulation are increasingly difficult to define, but collective ownership rights in particular have to be thought of as relying on social relationships and the market, or even on a confused tangle of social relationships (Zhou Xueguang, 2006). Other sociologists (Shen Jing Wang Hansheng, 2006) have raised the issue of property rights as a site of interaction between individuals and contexts; from this perspective, collective property rights are seen as an intermediate structure between the "top" and "bottom" strata of rural society.

Analysis of the evolution of these township and village enterprises shows that, from the mid-1990s onwards, they played a decisive role in the establishment of a market economy by virtue of the particular structure of their ownership rights. They made an important contribution to the development of industry and of the countryside; up to 1990, they were subject to close scrutiny as central actors in the first phase of the reforms. They

are regarded as having absorbed a high share of the surplus agricultural labour force; however, their absorptive capacity did eventually reach its limits, at which migration to urban areas began. Shiding Liu (1997) was to speak of villages that developed into industrial villages during the process of industrialization. Yusheng Peng (2000) uses the term "local transitional markets" to describe these arrangements between disparate economic forms that gave rise to hybrid organisations during the transition. Some collective ownership regimes were to be replaced by state ownership, while others evolved into private ownership. Shiding Liu (2006) advanced a theory of the system of ownership rights based on the typically Chinese concept of "possession" which, in its narrow sense, denotes the use or exclusive control of an economic purpose on the part of an individual or group. It has three dimensions: the form of exclusivity of possession, the scope for choosing the mode of possession and the time limit on possession. The possession of resources only becomes a property right if it is recognized in a given social context that produces recognition norms.

However, Chinese sociologists believe that the notion of local market cannot be reduced to rural enterprises but can take other forms. For example, Liu Shiding (2002) demonstrated the specificity of Chinese local markets by taking the example of an alliance between a large market, the Baigou market, and a large number of family enterprises in order to show how rural family businesses can maintain their organisational structure by establishing very dense social networks and remain competitive by operating in a large market; what is revealed here is the complexity of a local market that is independent of the national market and able to producing its own norms, conventions, rules, and modes of movement for both goods and people. Drawing on the same example, Shen Yuan (2002a, 2002b) analyzed the influence exerted by local politicians on the organisation of this market space and the construction of various forms of agreement and disagreement between local authorities and the local market. This in turn raised the question of the forms of economic coordination required between different categories of spaces and actors.

Another phenomenon that emerged in the process of transition towards the market economy and the industrialisation of rural areas in China is the "spontaneous groupings" of small and medium-sized enterprises from the same industrial sector in certain rural zones established by local farmers for the purpose of setting up such

enterprises (Li Guowu, 2008). These industrial groupings have been created not by injections of foreign capital but rather by the efforts of rural Chinese linked by relational networks, the local environment and an entrepreneurial spirit to establish industrial activities in their areas. Chinese sociologists have studied the part played by entrepreneurs' social embeddedness in the development of a type of economic organisation, described as "transitional", that is linked to local history and to the productive worlds associated with the new Chinese economy. Research in economic sociology on entrepreneurs in China has highlighted the production of a plurality of economic orders and types of entrepreneurs operating within coordination regimes that facilitate entrepreneurial activity in a variety of productive worlds. The economic sociology of entrepreneurs - to use an expression coined by P.P. Zalio (2009) - has developed by taking account of local contexts, the various provinces of China and the national and international context. Chinese sociologists have also considered the ever greater presence of Sino-foreign joint ventures and foreign firm, which are transforming the modes of labour market structuring in China, by focusing on the processes of integration and rupture within the Chinese society to which they have given rise (Liu Yuzhao, Ping Wang, Ying Kewei, 2007, Xin Tong, 2007), and on the discriminations suffered by Chinese workers in these foreign firms (Liu Shiding, 2009).

4. Unemployment and 'informal jobs'

The issue of "informal jobs" and unemployment is being investigated by many sociologists today. Access to stable employment is no longer guaranteed in Chinese society at a time when mass unemployment is emerging in China's cities and a public sector undergoing restructuring can no longer absorb the workforce or guarantee it social protection. Chinese sociologists have shown how the phenomena of unemployment increase the vulnerability of the low-skilled populations who are forced into situations of marginalisation and social disaffiliation (Guo Yuhua, Aishu Chang, 2005; Xi Guihua, 2006). Indeed, since the early 1990s and the downsizing of state enterprises, the growing importance of the private sector and the slowing in the growth of rural employment, various forms of unemployment have emerged; sociologists have identified various categories of unemployed people, such as the *xiagang* (workers laid off by their company but who receive subsidies, do temporary work and continue to benefit from the social protection provided by their

work unit) (Tong Xin, 2002, 2006). Moreover, rapid economic changes in China have also led to increased migration on the Chinese mainland and sociologists are interested in the social and economic downgrading experienced by migrants. Academic debates are also being held on how to define jobs in the informal sector, in which migrant populations are heavily represented.

In addition, a new category of unemployed person has appeared that has attracted considerable attention from Chinese sociologists: young people in urban areas aged 16 to 29, a group that is no larger than the *xiagang*, now constitute the majority of the unemployed (Sun Liping, 2003). The first 2004 survey on youth and employment by the Bureau of Labour and Social Protection shows that the unemployment rate for young people aged between 15 and 29 was 9%, higher than the average of 6.1%. Among these young people were those in possession of an urban *hukou*, those without qualifications and those who had left the school system with an upper secondary school leaving certificate or even lower. Unemployment is also affecting university graduates. The number of graduates increased from 1.07 million in 2000 to 4.13 million in 2006, or 13% of an age cohort each year. According to a survey by a group of researchers from the University of Beijing, the employment rate for graduates leaving education was 33.7% in 2005. Employment conditions for young graduates are constantly deteriorating: until the late 1990s they were regarded as a social elite whose degrees granted them access to stable employment in state enterprises and public institutions.

For Chinese sociologists (Liu Yuzhao, 2009), this situation is the result of a misalignment between the training system and employment system, the effects of the *hukou* on modes of access to employment, social policy changes and the effects of monopolies in certain segments of labour markets. This new economic situation has also created various forms of poverty that are difficult to define and that coexist with forms of urban poverty that are largely the result of the presence of migrants in Chinese cities. Chinese sociologists are now developing research into the construction of inequalities and inequities in what they call "modern economic life" and into ways of conceptualising economic growth and inequalities in a socialist context. Some have made a distinction between processes of 'collective exclusion' (Li Qiang, 2000, 2001, 2002) and processes of individual exclusion in order to explain how an underclass is

emerging in the new Chinese society. The issue of access to employment has become a very important academic challenge for Chinese sociologists.

What sociological approaches do Chinese sociologists favour when it comes to analyzing the process of access to employment? Approaches in terms of networks, social ties and social capital are the ones mainly deployed in Chinese economic sociology. The family and social networks are conceived of as playing a central role in the process of economic socialization, de-socialization and re-socialization. Granovetter's theory was adopted in France from the 1990s onwards, as it was in China during the same period. Granovetter's theory (1974, 1994) of the strength of weak ties, which is directly related to Fei Xiaotong's theory of the *chaxu geju*, has indeed been drawn on in many studies in economic sociology. However, while Granovetter had advanced the hypothesis that social networks and markets could interpenetrate each other by demonstrating the strength of weak ties, Chinese sociologists seem rather to adopt the notion of strong ties and to attach less importance to the idea of weak ties; for example Bian Yanjie advances the hypothesis of the "strength of strong ties" in determining young people's access to employment and Zhong Yunhua (2007), for his part, confirms the hypothesis ties are weak in the private sector and strong in the public sector. In some recent studies, finally, the nature of the ties is conceptualised as "gendered" when it comes to accessing labour markets (Tong Xin, 2008). In their approach to analyzing the construction of networks and social ties, Chinese sociologists have not really adopted Bourdieu's concept of social capital, nor that of Putnam (2000); rather they draw on Coleman's work, in which capital is seen from a non-deterministic perspective as a resource for actors (Bevort, Lallement 2006). Indeed, they are still concerned with the reciprocal obligations and expectations that depend on the degree of mutual trust in relations, informal modes of information transmission and action norms.

5. New forms of resistance and collective action

A new area of research was opened up in the early 2000s, the focus of which is new forms of resistance and mass mobilization in the Chinese society as exemplified by the resistance movements among peasants, workers and city dwellers linked to the middle class. These are new forms of collective action involving groups that have

adopted an adversarial stance towards the state, local government and private actors in the emerging civil society.

Some sociologists (Tong Xin, 2002, 2008) focus on analysing the new forms of collective labour action in Chinese society that have emerged in response to the privatisation of state enterprises and which are expressions of conflicting economic and political interests. These studies are concerned with the ways in which collective labour action is constructed in a time of transition. They show how workers in the *danwei* had internalised the idea that a strongly interdependent relationship existed between themselves, the enterprise and the state and how the reform led to the breakdown of this relationship, leaving workers feeling cheated and the victims of inequality and injustice. The industrial action that followed the Reform is seen as reflecting a struggle by the "dominated" for social recognition, a struggle based on class consciousness and a shared socialist culture. It is clear from these studies that, while these forms of collective mobilisation can be likened to social movements, the collective actions taken by workers in the traditional state sector emerge as a phenomenon unique to China, which makes them highly contextualised, particularly when it comes to the claims made by workers against the various types of property regimes.

Other researchers (Shen Yuan, 2007) have opened up a field of research concerned with the way in which a citizens' movement linked to property rights developed on the basis of the demands for civil and political rights made by the Chinese urban middle class. Shen Yuan examines the question of the creation of a civil society; in doing so, he draws on Gramsci's Marxist theory and alludes to the approach to the public space developed by Habermas (1992). The analysis of citizens' movements on property rights reveals the tensions and conflicts within the public space that have led to the increasingly organised campaigns by urban dwellers from the emerging middle class. Examination of the question of property rights in urban areas shows how struggles and rivalries have developed within the urban space between different categories of city dwellers in possession of economic, social and political goods and other city dwellers who have fewer resources at their disposal. Above all, however, middle-class city dwellers emerge as producers of collective competences in situations of resistance linked to new forms of economic and political domination.

Chinese sociologists have shown how the forms of domination in Chinese society are simultaneously diversifying and producing new forms of individual and collective action that reflect strong demands for meaning and recognition at a time when those who were protected by the state are losing their status to become "dominated". The hypothesis here is that these new forms of collective action are an expression of conflicts between different levels of recognition, the former being related to the first socialist system and the latter to the post-reform period.

6. "Emerging" objects in economic sociology

Chinese economic sociology is developing and becoming more complex. We have identified three "emerging" objects that raise new research questions: the relationship between democracy and the market, the financial markets and the "economics of singularities" (Karpik, 2009).

In Chinese economic sociology, the notion of market is also associated with that of democracy. For example, the concept of political market is becoming increasingly important as a means of investigating the extent to which the forms of political action espoused by an authoritarian government and those adopted by local government, which contain elements of democracy, are becoming hybridised. Thus Long Sun (2008) shows that, in standard political market theory, only politicians or parties that offer the voters policy manifestos in order to attract support are taken into account. However, in the case of elections in the Chinese countryside, the political market is marked out by the influence and power central government exerts over local government and the degree of control it exerts over elections in rural China. For Sun Long, these elections are mere democratic exercises that do little to advance real democracy. In their examination of the relationship between democracy and market, several sociologists have focused attention on various forms of corruption, especially at the level of local governments, which they see as obstacles to the democratic process (Wang Shuixiong; Sun Liping, 2006).

The question of the relationship between market and democracy is also addressed through the financial markets, which are seen as emerging objects associated with the transition process, in which they are a key institution. After all, the major economic changes that have taken place in China are a considerable inducement for soci-

ologists to work on the financial markets. The first generation of American sociological studies of the financial markets carried out during the 1980s is giving way to a generation of European (Godechot, 2009) and Chinese studies. It is becoming clear how politicised China's financial markets are. Some research (Liu Shiding, 2008), for example, shows how Chinese companies are subject to a "dual taxation" regime established by central and local government. This regime is characterised by divergent norms and a process of double taxation that generates tensions between the various levels of political governance at which mechanisms for detecting tax avoidance and imposing sanctions have been put in place. The Chinese financial markets are a privileged locus for efforts to understand the construction of social relations and multidimensional competition: on this point Chinese sociologists concur with French sociologists such as Olivier Godechot (2009).

In some pioneering research on the media, such as that by Zhou Yihu (2008), we can also see how the disjunction between the market and democracy is analyzed, taking as a starting point the growth in the financial autonomy of the Chinese media, which has not increased their political independence but, on the contrary, strengthened power of the state over the media market. This research advances the hypothesis that soft forms of state hegemony are being established that are increasingly discreet, regularized and institutionalized.

Finally, some Chinese sociologists have developed the notion of a 'market of singularities' in which judgments, both personal and impersonal, are the mechanisms that give rise to economic coordination regimes (Karpik, 2009). We can point, by way of example, to the first thesis to be produced at the interface between the sociology of art and economic sociology. It was written by Yan Jun of the Department of Sociology at Beijing University and is entitled "*Art? or money: the Industrial Ecosystem of an Oil Painting Village and the Economic Life of the Artists in the Contemporary China*". Yan Yun analyses the relationship between the value of artistic work and the price of works on the art market. The value of artistic work is defined as resulting, on the one hand, from the interaction between styles, reputations and artists' social capital and the norms and conventions prevailing in the various art worlds and, on the other hand, from the action of a variety of actors in the worlds of art and their social and economic practices. This pioneering research shows how, in China, the singularity of

artistic creation is thought to lie in the uncertainty as to its quality, as it is in the work of Lucien Karpik (2007), father of the economics of singularity in France.

Conclusion

The broad outlines of Chinese economic sociology do not overlap precisely with those of the new European economic sociology. The process of producing knowledge in economic sociology in China varies depending on the academic trajectories of Chinese sociologists embedded in a given context and history. While the emblematic concept of embeddedness developed by Polanyi and subsequently taken up by Granovetter in his famous article '*Economic Action and Social Structure: the Problem of Embeddedness*' played a central role in the construction of American and European economic sociology, Chinese sociologists departed from this approach in order subsequently to investigate the notion of embeddedness and its new emblematic figures as it relates to the transition process and social stratification (Li Peilin, 2002; Li Youmei, 2005), to the question of property regimes (Li Lulu, 1997; Liu Shiding, 2006), to the emergence of a new working class and to the recent emergence of phenomena connected to unemployment (Sun Liping, 2003; Shen Yuan, 2006). And whereas the processes of major economic and social change in Europe have been spread out over a period of 50 years, they have been telescoped in China, which has forced Chinese sociologists to conceptualize the questions of embeddedness and disembeddedness differently, taking as their starting point analysis of the plurality of economic orders. Granovetter's analyses have subsequently been drawn on widely and discussed in connection with the Chinese tradition of the **guanxi**. Finally, an approach based on economic institutions and the new forms of collective action has enabled Chinese sociologists to explain the fragmentation and recomposition of Chinese society. Initially, the influences of American sociology played a major part in defining the boundaries of Chinese economic sociology. Gradually, however, the discipline has gained its independence in a specific societal context and 'specific' forms of sociological knowledge have been developed by encouraging the construction of new research objects, such as the relationship between markets and democracy, financial markets and the 'economics of singularity'.

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Interview with Marion Fourcade

Marion Fourcade (fourcade@berkeley.edu) is Associate Professor of Sociology at the University of California Berkeley. In her first book, *Economics and Societies* (Princeton University Press, Princeton and Oxford, 2009) she develops a compelling comparative analysis of the national trajectories of economics in the United States, Great Britain and France. Her research has also appeared in professional journals such as *American Journal of Sociology*, *American Sociological Review*, and *Theory and Society*.

How did you get involved in economic sociology?

Path dependency and chance. I was a dual major in economics and sociology in college, and I tried to keep this dual orientation for as long as I could – until it became practically and intellectually untenable. Already back then the “economists” who interested me most (Albert Hirschman, Amartya Sen, Janos Kornai) were not your typical modern mainstream persons, even though there was a place for them in the core institutions of the field (all three taught at Harvard). I came to wonder about the boundaries of what is considered acceptable work in economics, and it is on the basis of that project that I applied to the sociology PhD program at Harvard University.

So I came to “economic sociology”, as you put it, through my knowledge of economics and my interest in making sense of the intellectual structure of this field. Then I took courses at Harvard that exposed me to the political sociology of economic ideas and expertise – e.g. works by Peter Hall, Margaret Weir, Theda Skocpol – and I became very interested in the question of why certain economic ideas succeed or fail to influence policy. For a while I worked on the supply side movement in the United States, and on the role of neoliberal think tanks in diffusing the supply siders’ message; being French, I could not help but wonder if these organizational structures had counterparts in my home country. It is this comparative interrogation that launched me on a path I’d rather forget – a mammoth enterprise to chart the historical-institutional bases of the production of economic knowledge in three (there were initially four) countries.

So the irony is that I don’t like to think about myself as an “economic sociologist” if this means (as it often does)

being a sociologist of markets and organizations. I have inched closer to the latter definition as a result of having to teach economic sociology and developing my acquaintance with that literature! But broadly speaking I consider myself a comparative sociologist interested in knowledge and politics – and economics happens to be the domain where I have pursued this interest empirically. My next book, for instance, is a straightforward Durkheimian study of the social bases of classificatory systems.

Are there books or articles that have particularly influenced your vision and practice of economic sociology ?

Pardon me if I am a bit exhaustive here but “my vision and practice of economic sociology” as you put it, is still very much a work in progress! Different epochs, different research projects call for different references. And I am still learning very much from the work of others.

I have already mentioned the historical institutionalists. Their books and articles were my starting point. But my approach soon became much more ‘culturalist’ after I encountered works by John Meyer and Frank Dobbin, among others. *Forging Industrial Policy* had a considerable influence on the way I came to think about cross-national comparisons and I still consider it to be one of the best books ever published in this genre. (My other favorite here would be a quite different, but equally compelling, book: *The Fabrication of Labor* by Richard Biernacki.)

Some years ago I rediscovered *The Social Structures of the Economy* and, with it, the extraordinary richness of Pierre Bourdieu’s analytical framework for thinking about economic processes (or any social process for that matter). I haven’t published much in this vein but his structural approach to markets had a big impact on me. Bourdieu’s analysis of the housing market in terms of structural homologies between fields provides in my view the only credible sociological account of what economists analyze as the somewhat miraculous meeting between supply and demand. Furthermore, his emphasis on consumption is enormously important. It is also often overlooked: economic sociology, particularly in the United States, has been almost exclusively concerned with production. (I still do not understand why *Distinction* is not a must-read for every

economic sociologist.) With that in mind, considerations about dispositions/taste and marketing (in addition to the traditional topics of market regulation and structure) naturally had to play an important role in an analysis Kieran Healy and I are currently conducting on systems of credit used by low-income Americans.

Another influence and great exception to this “productive” orientation of economic sociology is the work of Viviana Zelizer. *Pricing the Priceless Child*, which I read in my first year in graduate school, occupies a very special place for me. I did not read it as an “economic sociology” book at first. I don’t think many people did at the time. For me it was a fantastic historical account of an especially revealing cultural transformation. It is only later that I came to see how important and useful it was for conceptualizing (and empirically studying) the socio-historical underpinnings of economic value – something that is also at the core of my current project on the economic valuation of nature in France and America.

In your recent book you describe the practices and conceptions of economists as profoundly shaped by the institutional and cultural context in which they are located. Could you tell us what the main characteristics of the profession are, in the US, France and Great-Britain?

Some of these differences are readily observable at the organizational level, of course people are educated in different systems, find different jobs, are perceived differently by the public, and have very different political entanglements. As a result, and even though there are all kinds of “scientific” connections and influences across borders, the histories of these national fields are quite specific. These institutional features – and particularly what I call in my book the exercise of public power – have a huge impact on the kinds of questions people ask, the tools that they develop, and the way they communicate. As a profession and as a discipline economics is very much the product of these particular social structures (which it also influences, of course).

As for the intellectual differences between countries, I guess you will have to read the book, because it is difficult to do justice to the complexity of the stories I try to tell in one paragraph. Suffice to say that, in each country, we do not have a “school” but a “field,” with a wide range of intellectual positions and fierce struggles, as well as certain

distinctive central tendencies – to be horribly reductionist, the American obsession with growth and efficiency, the French obsession with productivity and rational order, the British obsession with the conceptualization and measurement of welfare. One paradox I like to point out is that the supposedly more “competitive” and decentralized organization of the U.S. field has produced, in fact, quite a large degree of intellectual homogeneity among the core institutions of the field (at least as far as the methods and practice of economics are concerned – the politics of economics is another matter altogether), whereas the more state-managed French institutional structures harbor a higher degree of intellectual segmentation and diversity.

As for economic sociology, do you think it is possible to define differences of the same kind between national traditions?

Absolutely. Here we can reflect on the French/American difference, which I am most familiar with. Philippe Steiner has written very compellingly about this. It is quite remarkable that some research currents, which in France can legitimately claim to be part of economics, would not easily be considered that way in the United States – and have been, instead, of great interest to American economic sociologists. You also have that consumption/production difference, which I just alluded to, not to mention the lesser commitment of French economic sociologists to the signature methods of American economic sociology – network analysis. For fear of embarrassing myself, however, I will not venture any further into a back-of-the-envelope analysis of these differences.

Do you think a dialogue is useful/possible with economists? What could be the basis for it?

Let’s talk about theory first. With institutionalist economists such a dialogue comes about naturally, for obvious intellectual and historical reasons, and also because non-dominant approaches seek to enroll allies outside of their field. Of course a conversation partly occurs with the mainstream, too. Some economists are engaging sociological and psychological research as a way to bring their behavioral models closer to reality. But it is also true that the basic premise of sociology – the idea that social order always *preexists* individual consciousness, to put it quickly – is very hard to square with the basic premise of neoclassical economics: the existence of a utility function. I also don’t know if you will ever be able to (or should) incorpo-

rate the sociological premise into mathematical models! The fact that we have these very different theories of action and analytical styles means that we often talk past each other, even with the best intentions.

These two disciplines have also very different structural positions and different politics. Being prominently enrolled into the state, corporations and international organizations, economists not only command considerable amounts of resources, they have also acquired a much more secure “fix it” culture. Sociologists, on the other hand, often find themselves both marginalized *and* shying away from direct policy involvement.

The result is that on policy issues economists tend to reign supreme. This is true across the board, but especially in macroeconomics. We sociologists have had very little to contribute to public discussions about exchange rate policy (the euro), monetary policy, fiscal policy, or regulation – with some rare exceptions. Political scientists fare a bit better, yet even they rarely manage to raise their credibility above that of economists on these issues. But of course this macro level is where the most important political stakes of our time are being played out. Think about the current crisis facing the EMU. We should be able to contribute something to this debate – analyzing the symbolic dimensions and political consequences of various courses of economic action, for instance – and we don’t, or not much.

Perhaps the best way to engineer a productive dialogue would be to engage in direct, practical work together. Of course, this is easier said than done, due to the cultural and structural differences I mentioned before.

You have recently developed a comparative analysis on the economic valuation of “nature” in the US and France, relying on investigations of major environmental pollution cases. What conclusions do you draw on the meaning of these monetary valuations?

That it’s incredibly complicated. That how you produce economic values for something depends in part on how you experience and conceptualize this thing in the first place. ‘Nature’ is not the same thing in France as it is in the United States. We think about it and relate to it differently as a legal problem, as an ecological problem, as a political problem, as an economic valuation problem. And consequently we produce different legal, political, biological, economic technologies for it. With different results, and different effects. You could say that the quick conclusion of a study like this is that ‘the French are French and the Americans are American;’ but of course the real value of comparative research does not lie in showing that things are different but in showing *how* they are different across countries, and also how they hold together within each country. With that in mind, the stronger theoretical take-home point is that the tools we produce to do these highly technical economic valuations in each country actually embed all kinds of socio-cultural assumptions regarding our experience of the natural world and the different “orders of worth”, which sustain that experience (to use Boltanski and Thévenot’s terminology). Thus we fall back onto the sociology of knowledge, as we should.

Book Reviews

Book: Preda, Alex, 2009: *Framing Finance: The Boundaries of Markets and Modern Capitalism*. Chicago: The University of Chicago Press.

Reviewer: Paul Lagneau-Ymonet, Université Paris-Dauphine, IRISSO, paul.lagneau-ymonet@dauphine.fr

In his new book which collects, systematizes and builds upon previous works, Alex Preda raises the crucial question of the legitimacy of finance. For the sociologist, this legitimacy goes well beyond pragmatic acceptance by individuals since it defines their identities and paves the way towards the future of contemporary capitalist societies. Thus, the book investigates how financial operations, even the most speculative ones, and the actors that perform them have become legitimate over the past three centuries, in three capitalist societies (the United States, Great Britain and France).

To address this question, the author focuses on the "boundaries of finance". They are of two kinds. Material, social and symbolical separations distinguish the financial market and its actors from other money-related activities that are highly discredited (especially gambling). As such, the exchange as a dedicated place was a milestone in the legitimizing process. But these boundaries aren't just about distinction through closure; they are also arrangements (especially technical or procedural) that make possible the regular, orderly and rightful communication and coordination between the world of exchange and the rest of the world (on boundary objects, see Bowker and Star 1999).

After a first chapter summarizing the sociological tradition on financial activities¹, the second chapter documents the enclosure of the New York, London and Paris stock exchanges through the social control of a circumscribed space – the exchange – by brokers organized in exclusive groups (often under the umbrella of public authorities in search for public order). Preda rightly argues that "throughout the nineteenth century, the consolidation of stockbrokers as a status group went hand in hand with the consolidation of the stock exchange as an institution" (p. 75). This demonstration would have benefited from previous published works. For instance, historians and economists have shown that the survival of a corporative body of office holders for official stockbrokerage beyond the

French Revolution was not only a stigma of the Ancien Régime, but also a governmentality device to anchor the social order of the stock exchange with the wealth and social positions of its intermediaries (Bien 1995; Gallais-Hamonno 2007; Hautcoeur 2007; Verley 2007; Beckert 2009). For New York, Preda's demonstration would have also gained from recent research on the price evolution of a seat at the exchange (Davis et al. 2005).

The third chapter highlights one of the effects of the legitimacy gained by financiers: by the end of the nineteenth century, they were in positions to promote their "science of the market", in the wake of the academic institutionalization of economics. The fourth and fifth chapters address the second aspect of the "boundaries of finance": communication. Making the genesis of the introduction of the ticker in the United States and the following development by professional investors of a type of financial forecasting (financial chartism), the author convincingly demonstrates, drawing from Latour's *Pandora's Hope* (1999), how the tape machine is "a networking technology which allows the transfer of temporal patterns across various contexts and the coordination of future paths of action" (p. 128). In the remaining three chapters (6, 7 and 8), the reader will find insightful comments on Proudhon's ambiguous views on speculation and on panic as the disintegration of trust among market participants. Moreover, Preda offers a meaningful analysis of the long-lasting "myth of superhuman powers of the speculator" (p. 207), which not only reinforces the social closure of financial activities but also obscures the actual processes that explain the grand speculators' fortune or ruin.

Preda's elegant analytical diptych (legitimacy through closure and communication) turns out to be useful and accurate for the study of financial markets. This heuristic approach should be, therefore, praised. Yet, readers may be alienated by Preda's choice to raise the question of the legitimacy of finance without analyzing the consequences of the 1929 *krach* for speculative activities and financial actors. This choice brings the late nineteenth century closer to our "Finance-is-Beautiful" noughties but it leaves in the penumbra the powerful processes that restored the legitimacy of finance at the dawn of the millennium. Reading *Framing Finance* in the midst of the current financial crisis brings an awkward whiff of yesteryear: a time when the

legitimacy of finance still seemed unchallengeable (on this question see also Morgan 2010).

Endnotes

¹Table 1 (page 49) will appeal to those in search for a clear overview of how Smith, Marx, Weber, Sombart and Schumpeter treated financial speculation. The absence of Durkheim in this panorama (Simmel's view is contrasted to Weber's ones in a meaningful note), however, is a pity since financial systems are among the first examples of "social facts" mentioned by the French sociologist.

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Book: Martin, Isaac William, Ajay K. Mehrotra, and Monica Prasad, 2009: *The New Fiscal Sociology: Taxation in Comparative and Historical Perspective*. Cambridge: Cambridge University Press.

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The New Fiscal Sociology seeks to restore the relevance that the analysis of taxation had in classical social theory. By presenting a selection of recent studies regarding the causes and consequences of tax systems, this edited volume attempts to identify taxation as a window to understand critical dynamics of modern society. The book's main thesis is that any form of taxation constitutes a form of social contract, which reflects social identities, recreates social inequalities, and defines obligations between different groups and between the state and society. Therefore, as an objective of analysis, taxation has a great potential to shed light on the unfolding of social conflicts and the relationship between citizens and the state.

The volume is structured in three main sections that Martin, Mehrotra and Prasad recognize in the Introduction as the three main questions addressed by this multidisciplinary body of work: First, why tax systems differ cross-nationally? Second, why taxpayers consent to taxes? And, third, which are the social consequences of taxation? These have been also central topics for classical social theorists interested in taxation. Yet, according to the editors, this new body of research differs substantively from early fiscal sociology in two senses. First, it pursues a historical institutionalist approach, underlying the role of path dependence and critical junctures in explaining existing tax structures. Second, the new fiscal sociology is defined by its direct challenge to the traditionally dominant explanations to these three questions.

Part I is devoted to the causes of tax structures. To this effect, it includes four studies concerning the politics of taxation in the United States. These four chapters address critical dimension of tax policy and tax politics in this country, including the origins of its intense income tax progressivity (Thorndike), the political salience of the taxation issue since the 1970s (Campbell), the origins of G.W. Bush's tax cuts (Block), and the extensive use of tax expenditures in American fiscal policy (Howard). The studies make a clear case that political conflicts have molded American tax policy and tax politics. For instance, Thorndike shows that Roosevelt's alienation by the business community contributed to the enactment of the critical 1935 Revenue Act. Moreover, Block claims persuasively that the formation of an anti-tax alliance between religious and economic conservatives explains why taxes have become central subjects in the Republican platform. Yet, these chapters reveal a striking level of contingency, and do not clearly benefit from principles of historical institutionalism. For instance, A. L. Campbell does not demonstrate how a heavy reliance

on income taxes contributed to the politization of tax policy. Moreover, given the centrality of cross-national differences for the old fiscal sociology, in Part I, the reader may miss a chapter covering cross-national differences in the structure of income, consumption or payroll taxes.

Part II covers the interesting question of why taxpayers consent to taxation. This Part presents a more coherent group of studies due to their focus on that concrete question. The four chapters included in this section of the book contribute to the debate of tax consent by providing alternatives to the conventional and methodological individualist answer that coercion (Weber) and the risk of deterrence (Becker) explain the acceptance of tax extraction and increases in tax rates. In contrast to this approach, these four chapters emphasize how supra-individual conditions such as political crises (Feldman and Slemrod), cultural institutions (Lieberman) and political institutions (Einhorn and Ide and Steinmo) also shape tax consent. Feldman and Slemrod provide solid quantitative evidence that the number of past military conflicts increases individual support to the principle of tax compliance. By comparing Brazil and South Africa, Lieberman argues that strong but limited collective identities facilitate the establishment of an effective and progressive tax system. Finally, Ide and Steinmo argue that the neoliberal reforms passed in the 1990s undermined the confidence of Japanese citizens in their government and prevents necessary tax increase. In these studies, the (nevertheless intuitive) claim that past tax policies condition tax reform is not strongly supported either. Ide and Steinmo, who draw most from this argument, do not persuasively show that the increase in political mistrust was due to the neoliberal reforms and not to simultaneous political scandals. Another important limitation of these studies is that they provide suggestive alternatives to explain tax consent, but they do not directly challenge the conventional deterrence thesis.

Finally, Part III is devoted to the consequences of taxation. It includes five diverse chapters that do not address a common debate, but that outline topics of inquiry for future research. As a group, these studies claim that taxation is relevant for the type of political institutions (Tilly), imaginable tax reforms (Moran), gender relations (McCaffery), and the construction of international epistemic communities (Brownlee). Tilly makes the intriguing case that modern taxation is a precondition for democracy, as it generates sufficient state capacity to create equality under the law. Through its analysis of Adam Smith's ideal tax system, Moran's chapter suggests that existing tax systems

limit the range of conceivable tax reforms. McCaffery demonstrates that the US tax system is particularly biased against the two-earner household model and in favor of the traditional breadwinner model. But we may wonder the ultimate importance of this bias if the US has some of the largest male and female participation rates. Brownlee's chapter provides the strongest evidence of path-dependence in the volume. It shows that despite the exceptional position of the American occupying forces to impose a new tax system in post-war Japan, they ultimately failed to impose it and the prewar regressive system remained.

In sum, *The New Fiscal Sociology* is an important contribution, which demonstrates the potential of further research regarding a relatively underexplored area of social life. Despite the lack of a coherent underlying theoretical framework, it provides many instances that tax rules are relevant institutions that shape and react to political struggles, social inequalities, and the relationship between citizens and the state. This volume makes a persuasive case that the analysis of tax structures can inform critical debates in the social sciences. It also shows that fiscal sociology can inform the emerging political debate regarding forms and levels of taxation (J. Campbell). For these reasons, I highly recommend this book to anyone interested in the intersection between economics, politics, and public finance.

Book: Bruce G. Carruthers/Laura Ariovich, 2010: *Money and Credit. A Sociological Approach*. Cambridge: Polity Press.

Reviewer: Heiner Ganßmann, professor emeritus, Freie Universität Berlin; e-mail: Heiner@Ganssmann.de

C/A have written an introduction to the sociology of money and credit that is likely to become a successful textbook. The book provides a competent survey of the main ideas and contributions on money in North American academia, with an interdisciplinary touch due to extensive discussions of research on money in anthropology, social psychology and international political economy (but surprisingly little discussion of mainstream economic theories of money). This book signals a welcome change from the days when every sociological work on money started with the observation that the subject continues to be neglected since the "classics" from Marx, Simmel, Weber to Polanyi.

The book has six chapters. The introduction (ch.1) and the conclusion (ch. 6) relate the content of the book to the experience of the recent financial crisis and political responses to it. Ch. 2 offers a "Brief History of Money", with special emphasis on US monetary history and a sketch of the international monetary system. Ch. 3 presents sociological, anthropological and psychological research on "The Social Meaning of Money". Chs. 4 and 5 deal with "Credit and the Modern Consumer Society" and with "Credit and the Modern Corporate Economy", respectively.

C/A are not bashful about their selectivity in discussing these themes – and rightly so, given the complexity of issues and the extent of the relevant literature. Aiming for an introduction into the field, they avoid getting tangled up in most of the familiar controversies about competing explanations of money and credit (say between Mengerians and adherents of Knapp's state theory of money, between the banking and the currency school, between Keynesians and monetarists, and so on). Perhaps this avoidance explains their abstinence from economic discussions and the reluctance – except for some remarks in the Conclusion – to explicitly distinguish their sociological approach from economic thought on money. With the exception of ch. 3 on "The social meaning of money", C/A's arguments and explanations are basically institutionalist and their approach is not distinct from similar work in the economic tradition of Veblen, Mitchell, and Commons, or in contemporary comparative political science, or economic history. To be sure, this is no harm but a – perhaps involuntary – tribute to the growing insight that improving our understanding of money requires interdisciplinary efforts.

C/A's conceptual framework is indicated in the introduction. They start with reminding the reader of the 2008 financial crisis and the widely shared experience that seemingly solid „economic value“ can suddenly dissolve into thin air. This raises questions about the nature of money. It is introduced as the means to measure economic value: "the value of something is indicated by its market price. An object is worth what it costs to purchase it, measured in money" (p.3). This seemingly simple notion of value remains somewhat ambiguous when we learn that "money has symbolic as well as material value". Nonetheless, as C/A suggest: „Ordinary people treat money like a fact of nature“ (p.5) – except in times of crisis. Money is defined as "a generalized, legitimate claim on value...This means that: (1) money grants access to valuable things – people can use it to acquire goods and services – money is a form of power; (2) the access that money makes possible

is *legitimate* (i.e., it seems proper to acquire things by purchasing them...); and (3) money is a *generalized* claim (it can be used generally to obtain all kinds of goods and services)." (p.6) C/A distinguish their definition from that of economists who "prefer to give a more functional definition in which money is what money does: it functions as a store of value, medium of exchange, and unit of account." (ibid.) While money, as we just learned, "has symbolic as well as material value", it nonetheless "has become disembodied and virtual, and can now move around the globe in large amounts and at the speed of light." (p.7) C/A also introduce and maintain throughout the book the distinction between money and credit (or finance). Credit involves the borrowing and lending of money and, therefore, the problem of trust. The lender must cope with the risk that the borrower's promise to re-pay will not be kept. Networks, institutions and organizations develop to produce organizationally processed information to substitute for personal trust. A "landscape dotted with institutions, organizations and networks" (p.17) has formed. It is subject to sociological analysis: "Both money and credit are deeply social" (ibid.), presumably because money and credit do not only imply relations between more or less autonomous individuals, but also relations between collective bodies.

C/A do not engage in a conceptual analysis of how these various properties and functions of money go together. Rather, they go on to describe and analyze monetary practices and their development. Perhaps this is a good procedure for an introductory text. But not all controversial theoretical issues can be left out.

The major exception is the controversy about Polanyi's concept of money and the role of money in what Polanyi called the "great transformation" of Western societies from the early 19th to the 20th century. Two major aspects of this controversy are taken up by C/A, *first*, the distinction between "general purpose money" and "special monies" that Polanyi proposed to characterize the difference between money in primitive and in modern societies; *second*, the proposition that modern money use has deeply affected social relations by depersonalizing and reifying them, a line of thought that Polanyi took up from Marx, Simmel and Weber – but combined with his observation of a secular "double movement": Expanding and sustained political intervention into economic affairs was the backside of the increasing role of markets and the commodification of land, labor and money.

In their chapter on the “social meaning of money”, C/A seem to share the rejection of Polanyi’s “great transformation” argument by affirming the arguments of critics like economist Melitz (1970), sociologist Zelizer (1989 *passim*) and anthropologist Maurer (2006) who hold that Polanyi and his followers “overstated” the effects and social changes due to expanding monetization of modern societies in the 19th and 20th century. First, the Polanyian contrast between primitive M as “special purpose” and modern M as “general purpose” monies is held to be misleading. Modern money is mostly special purpose, too, according to Melitz and Zelizer. Second, Polanyi’s argument that the economy after the “great transformation” is more or less “disembedded”, that is freed from the constraints of traditional customs and morality and political control, with destructive effects on the fabric of society, is rejected. According to the critics anthropological and sociological research into how people handle money suggests that money is neither homogeneous nor the great “flattener” of social relations. In both modern and so-called primitive societies people can be frequently observed to adapt – what seems to be homogeneous – money to their subjectively defined special purposes. Such ascription of functions beyond those usually listed by economists (s.a.) is then described as the “creation” of “special monies”.

In contrast to C/A, I think that it is somewhat misleading to describe the various uses of money in communal contexts as so many “transformations” of homogeneous money, or as the “creation” of special monies, for example when the practice of women using the cash earned by Malay fishermen to buy foodstuff to cook and eat meals collectively is described as “cooking money”. Carsten (1989: 134) is quoted by C/A as follows: „Women, then, purify or socialize money, endowing it with the values of kinship morality, by cooking it in the *dapur*” (the *dapur* being a collective kitchen). According to that kind of logic, not only are the women cooking money, but whoever then eats the meal is eating money. That is hard to digest.

Such exaggerations serve to built up a contrast between the classic views from Marx to Weber, Simmel and Polanyi – according to which money use has depersonalizing and rationalizing effects – and contemporary research that pays closer attention to the ways in which people actually use their money for whatever purposes they have in mind. The strong contrast is rather misleading, however. Take the example of Maurer (2006) – to whom C/A refer as a critic of the Polanyian “lost world” attitude towards pre-modern societies. He first suggests: “According to Marx, Simmel

and Weber, capitalist moneys render *everything* quantifiable according to one scale of value and permit previously unthinkable comparisons among objects, persons, and activities” (Maurer 2006: 20; my emphasis, HG). Then he goes on to find that money “has not *always* and everywhere displaced traditional currencies. It does not *always* gather to itself exclusively the functions social scientists have ascribed to it”; furthermore, it “is not clear that money *always* flattens social relations” (Maurer 2006: 21), and, finally, “money does *not always* divide up the world into quantifiable bits without remainder” (Maurer 2006: 23). Maurer makes it sound as if Marx, Simmel, Weber, Polanyi – we could also add Schumpeter, for example – had suggested that money *always* does what Maurer finds that it does *not always* do. But, perhaps with the exception of the young Marx, it will be hard to find such nonsense as a general assertion that money renders *everything* quantifiable or the “money-as-acid” hypothesis ascribed to Simmel (Maurer 2006: 24) in the classic texts. One must suspect, therefore, that the function of drastically simplifying classical propositions about money use and its social effects is to make ones own propositions appear more sophisticated, for example, when uttering the shattering insight that money does not “always flatten social relations, rather than creating new ones just as complex” (Maurer 2006: 21).

C/A seem undisturbed by such suspicions and explicitly agree with Zelizer (1989) and Parry/Bloch (1989) that “Marx and Simmel’s critiques of modern capitalism overstated money’s power to erode social ties, introduce a wedge between people and the products of their labor, and erase qualitative differences under a quantitative mantle.” (p.80) I do not think that Marx and Simmel and Weber and so on can be accused of such overstatement. Instead, the controversy about the Marx-to-Polanyi tradition needs a little more attention, especially since C/A want to simultaneously acknowledge the “continuing relevance of the classical critique of modern capitalism”, abandon Polanyi’s “great transformation” narrative (p. 81) and nonetheless claim to have extended Polanyi’s discussion of “fictitious commodities” (p.167). Can all that be consistent?

Perhaps some sociological theory could help here. One could deal with the “social meaning of money” in terms of the system/lifeworld distinction à la Habermas. In contrast to the system perspective in which the fact that – almost – everybody today is tied into the global monetary system is the major issue, the lifeworld perspective raises the question: How do people live with money and cope with the

constraints imposed on them by being forced for most of their economically active lives into a cycle in which they continuously have to work to earn money that they can use to buy the consumption goods that enables them to work again. The patterns of money use emerging in everyday life can be recognized as coping mechanisms, as ways to live with the discipline imposed by the monetary system. They do not have to be described as the “creation” of special monies, or the transformation of legal tender into distinct special currencies, following Zelizer and some anthropologists. By doing this, C/A let their own argument turn somewhat ambiguous. Having highlighted the systemic effects of global monetary networks and institutions in ch.5, they backtrack and, at the end of the book, “side” with Polanyi (pp.166f., 184) as far as his critical view of the impact of expanding monetization on social relations is concerned.

Can this be reconciled with the views of Zelizer et al.? On the one hand, as C/A emphasize, the contemporary monetary system is global in the sense that a) almost everybody on this globe is included in this system, as buyer, seller, borrower, lender, saver, taxpayer, etc.; and b) national and local currencies are related to all other such currencies by markets, sometimes even in fixed politically defined ratios. The network formed by monetary transactions is truly global and comprehensive – excluding only those who are not economically active, but certainly affecting even those. That everybody is linked to everybody else in this way does not establish personal relations. Agents remain largely anonymous for each other. This is why Weber called money the most abstract and impersonal thing in human life. But this is also why Simmel could say that money establishes an ever expanding mutual dependence alongside individual freedom, as relations of dependence remain impersonal and the vast number of persons you are depending on remain anonymous. Did the “classics” exaggerate or go wrong when they underlined the abstract and impersonal nature of social relations mediated by money? Are ascriptions of subjective meaning to quantities of money in micro-contexts such as household and family evidence that the classics were wrong? No. It is easy to see that the classics, including Polanyi, referred to the nascent global system of money use, whereas anthropologists and sociologists like Zelizer observe lifeworld contexts, the way money is processed in face-to-face groups. In other words, we can apply the system-lifeworld distinction (or Lockwood’s distinction between system integration and social integration) and see that there is no contradiction between saying that money is abstract, impersonal, homogeneous

and observing that it may have very distinct meanings for each money user. If “homogeneity” of modern money is to mean that given money objects are usable for the standard set of monetary functions, then the classic proposition remains correct. The important point is not that there is a manifold of distinguishable money objects which may be more or less adequate to serve these various functions (as Melitz 1970 tried to maintain against Polanyians). The point is that – except in times of crisis – contemporary forms of money are as easily transformable into each other as small change into big bills, or savings accounts into cash, or \$ into € into ¥.

This does not prevent, rather it enforces the practical activities of people to plan expenditures, sort their income streams into budgets and earmark sums of money to be spent for specific purposes. Since this is more or less a terminological question that turns into a question of styles or tastes, such activities can be described as the “creations of special monies”. But budgeting does not affect the nature of money. Rather, it is a regular pattern in handling it, given that money is always available in limited amounts only. Budget constraints impose discipline and a calculating attitude. That implies conflicts. By contrast, windfall gains provide opportunities to escape from such discipline and the (formal) rationality coming with it.

Apart from terminology and beyond money, the point is that people can and do assign very different meanings to one and the same reference object, for example, a national flag, a book, a movie. But such assignments of divergent meanings do not change or transform the common reference object. Obviously, observer dependent facts can be modified by observers. Social facts are observer dependent. Money is a social fact (Searle 1995). But as a social fact, money must have a common denominator of shared meaning for money users. There are general patterns of handling and using it. There are general rules of money use. Some people may behave differently, deviate from such patterns, ascribe idiosyncratic meanings. But that does not affect the general meaning of money. An indicator for such stability of meaning is that all the money transformed into “special monies” à la Zelizer is normally flowing back into the monetary circuit when spent. The special purpose ascribed to it disappears along with its past. Pecunia non olet.

With all that, I have given too much attention to a controversy in which I disagree with C/A. Not to leave a false impression, I have to conclude with emphasizing that their

book is a very useful and effective introduction to the sociology of money and credit. It is admirable for the mostly no-nonsense style and concise arguments. It represents a promising effort to make students think and wonder about money and credit as social constructions. For those more advanced in economic sociology, chs. 4 and 5 on credit are the most interesting parts of the book, with the focus on the emergence of the institutions, organizations and networks that form the contemporary system of finance. C/A fruitfully draw on their profound knowledge of monetary institutions, especially in the US, to highlight the driving forces behind their developments and the attempts to regulate and politically control the financial system.

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Book: Akerlof, George A./Rachel E. Cranton, 2010: *Identity Economics: How Our Identities Shape Our Work, Wages, and Well-being*. Princeton: Princeton University Press. U.S. \$24.95.

Reviewer: Patrik Aspers, Max Planck Institute for the Study of Societies and Stockholm University

Identity has for many years been a core notion in sociology and in every-day conversations. Sociological and anthropological research on identity is substantial, and among new economic sociologists identity has been used for understanding and analyzing core economic institutions such as

markets and economic networks. Identity has also been seen as the result of social interaction in markets and networks.

The book by the economists George Akerlof and Rachel Kranton, *Identity Economics*, shows that this is not only a notion that sociologists and anthropologists should take seriously. Akerlof and Kranton see their book as "a primer" that will inform us about their basic ideas about identity, how it relates to economics and other social sciences, and the consequences of their approach.

The two authors have collaborated for more than ten years and written several papers together, which form the background of the book. It is clear that the editor deserves credit for truly supporting Akerlof and Kranton in writing a book that conveys a clear and coherent picture of their perspective. A reader already exposed to their ideas will find that this book adds much to the texts already published, especially on the relation between identity and standard economics. It should be said that much of the input – on household, gender, race, education and organization – comes from sociology.

Identity, as used by Akerlof and Kranton, covers also norms and social category assignment (p. 17). The central idea in the book is that identities define the social categories of people, and the norms of a category will influence how they act (p. 13). This triad is also guiding their methods: (i) identify the social category and its members; (ii) identify the norms of the group; (iii) identify the gains and losses in terms of utility of action alternatives based on actors' identities (p. 14), such as breaking the norms of the group. To be a member of a group or gaining an identity as a result of doing things together with others is also covered by their notion (p. 24-5). The information on identity, we are told (p. 18) shall come from observation. With their approach they want to move beyond the traditional economic assumption that "tastes and preferences are individual characteristics independent of social context" (p. 10).

They argue that an actor's utility can be increased or decreased depending on the consequences of the acts on her identity. Consumption, in standard economics, is seen as something that adds utility. A person may, for example, prefer to eat meat, since this increases her utility. Another person may identify herself with the protection of animals, and thus be against the production and consumption of meat only for the purpose of eating it. This person's utility may then decrease if she would (have to) eat meat. A per-

son may also suffer from someone else eating meat. This is a form of "externality", which may also come from others violating norms that one holds dear. To understand why persons do not like meat, we should not, Akerlof and Kranton say, state that this is due to their preferences. The analysis must, in contrast, account for their social position and their being.

We can make an economic or a sociological interpretation of their work. According to the economic interpretation, they present a decision theory, though expanded, which they generalize to be the way people behave. There is, then, still an assumption of a rational and utility maximizing actor who somewhat "calculate" what to do. What they add is that the utility actors gain derived from who they are, how they relate to norms and their own identity. Consequently, people, in their view, choose their identities. Though they don't say that it is possible to choose one's race, "immigrants can decide whether to assimilate" (p. 19).

Given the economic interpretation it is not difficult to see the problem with *Identity Economics*. The notion of subjective utility, also in the approach by Akerlof and Kranton, has a tautological touch: everything a man does is by definition done in order to increase his utility (as perceived in the situation). But the interpretation is not easily reconcilable with the ideas of socialization (p 22) and unconscious aspects of identity. Furthermore, in some cases individuals are given identities that may also come with negative utility; such as those who are "out of fashion" or those who are "nerds". In these situations actors' choices matter little, since they have not asked to become included in these identities. Such formations in which actors are given identities may either add utility or create negative utility. However, if we make a sociological interpretation of their work we essentially abandon the idea of economic man, because the "choices" are to be explained in terms of the structural condition of action.

There is another argument that suggests that they stand close to sociologists. Gary S. Becker has attempted to invade the neighboring disciplines, essentially by exporting the cost benefit calculation of utility to other areas of study, such as the family. But though Becker argued that everything is an economic calculation, which essentially reduced non-economic values to economic values, Akerlof and Kranton – who explicitly criticize Becker – are in line with one of the founding fathers of economics, Alfred Marshall, who argues that actors balance economic values with non economic values. They, so to speak, rediscover the progress that Alfred Marshall observed already in 1890, in the text *Some Aspects of Competition*, that "...the economist of to-day do go beyond those of earlier generations in believing that the desire of men for the approval of their own conscience and for the esteem of others is an economic force of the first order of importance..." (p. 285, in *Memorials of Alfred Marshall*, London: Macmillan and Co, edited by A.C. Pigou).

There are clearly many good things to be said about this book. In addition to the fact that the ideas are brought together in a systematic manner and an easily accessible language, the added explanatory power due to the numerous empirical examples of the book should be mentioned. They are also able to draw on a largely sociological literature on identity, which provide the theoretical arguments with empirical evidence that sometimes is glaringly absent in economic literature. I think, and hope, this book will cause a debate also among economists. Many sociologists will probably appreciate this work, and welcome this step taken in the direction of a sociological reasoning. The book by Akerlof and Kranton is advertized, and in my view rightly so, as a bridge between economics and other social sciences – let us see who dares to try it.

PhD Projects Projects in Economic Sociology

Organ Transplants. From Ethical Reflexion to Economic Analysis

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Organ transplants are a hope for many patients. In France, as in most of the countries which transplant, it is a common practice. Contrary to the majority of therapeuties, the diffusion of organ transplants is not impeded by budgetary constraints. If the natural scarcity of organs is a physical constraint, the levels of supply and demand result, at least partially, from economic decisions. The organisation system of organ transplants has an impact on the collection and transplant rates, therefore other types of organisations may be considered.

Supply and demand levels are, to a certain extent, variable. Organ transplants are indeed *an organisational process* which depends on a combination of economic arbitration. However, efficiency is not the only demand, the human origin of organs impose on us the consideration of ethics. The collection and the repartition of organs have strong implications as regards ethics. How can economic theories help solve the problem of the repartition of these scarce resources with heavy ethical implications?

The purpose of this thesis is to build an framework for the economic analysis of the system of organ transplants. This framework will permit a global analysis of systems which takes into account the two demands: ethics and efficiency. Expected results are:

- To give new light to contemporary debate about the circulation of human elements
- To highlight the present features of the French and the international systems and their foundations
- To facilitate the implementation and evaluation of propositions to reduce the difference between the demand and supply for organs. These propositions must be justified by efficiency and/or justice.

The literature on the theme of organ transplants is plentiful. It is not the theme of this research, nor the pursued

objectives, but it is the way of approaching it which constitutes the specificity of this work. To understand both the specificities of the goods "organ" and the complexities inherent to their transfer, the economic analysis of organ transplants is based on ethical values.

Human dignity is the principle which is the most called upon in the ethical discussions about the subject. So, the thesis opens on a reading of the concept of human dignity underlined in Kantian moral philosophy. To dedicate a preliminary chapter to dignity allows us to prove the interest of values defended by the economic theories. Thus, the approach is legitimized by this imperative of human respect.

The object of the first part of the thesis is to elaborate the framework of analysis from three ethical values. Indeed, three ethical values dominate the economic reflection on organ transplants: reciprocity (chapter 1), property (chapter 2) and utility (chapter 3). Each of these values allows us to build a "pure model", each justified by the only one value of organ transfer. The latter allows us a deep examination of the ethics and efficiency of the three modalities of conceivable transfers: gift, exchange and redistribution. The interest of this theoretical part is not to define which of these three systems must be set up as such, but to bring light on new abstract tools fitted to the complexity of the issue.

The goal of the second part is rather to show the relevance of this framework by confronting it with the reality of organ transplant. The organizational process of organ transplants breaks down into three stages: production (chapter 4), circulation (chapter 5) and distribution (chapter 6). In each stage, current rules in France and in other countries are compared with theoretical models. Social representations of organ transplant and of the organization of organ transfers strikingly influence the level of supply, therefore enhancing the penury. So, in these three chapters a particular attention was given to the formation of social preference, their impact and the room for act which they offer. Social preference concerns here the individual vision of ethics pertaining to group decision making. For instance, acceptance or repugnance for the organ market and family's place in decision making for *post mortem* organ removal are two subjects which arouse social preference.

The decision to consider the system organization of organ transplants as a whole offers a more global vision of the difficulties and the problems raised by organ transfer. This perspective at first allows us to minimize the relevance of radical solutions which nevertheless attracts the attention (market / nationalization of organs). It strengthens interest to widen the field of research by examining the other leads of solutions concerning two other stages of the process: the circulation and distribution of organs. This approach is definitely facilitated by the elaboration of leads of solutions to struggle with organ shortage, that maybe less revolutionary, but more consensual. It allows in particular to argue in favour of some short-term plans of research to limit the gap between supply and demand.

For example, to increase *post-mortem* organ removal must be privileged because of their ethics and advantages in terms of efficiency. In addition, inter-country comparisons, in particular with Spain, and the disparity of organs remove rates on the national territory, let us perceive the potential for an improvement in the circulation organization of organs. From the efficiency point of view, the simultaneous presence of different actors' with potentially divergent objectives and of information asymmetries imposes to set up mechanisms of incentives or more successful controls. A simplified model of agency theory allows us to make the reading of the systems easier. In Spain, the system seems to have found equilibrium between extrinsic (financial) and intrinsic (valuation of the thankless tasks) motivations. To develop an agency model could facilitate the improvement of the French system piloting by allowing us to estimate the impact of these variables.

The theoretical reflexion allows us, moreover, to put into light the first steps toward a long term solution research for entering the emergence of an easier equilibrium as regards organ supply and demand in different contexts. In the long term, the three variables may modify: the degree of shortage, the risks involved in gifts between living donors and social preferences.

The Making of the Future. A Historical Sociology of Business Plans

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This thesis may first be read as an inquiry into the history of new venture business plans – be they used by entrepreneurs internally, as management tools helping them formalize their projects, or externally, as market devices allowing them to raise capital. Even though it does not consist in a continuous account of the evolutions of business plans throughout the modern era, the dissertation does indeed provide a series of five case studies, or chapters, dealing with what may be considered as some of the main turning points in this history.

The first study, by looking simultaneously at the business plans and biography of French statesman, scientist, and entrepreneur Pierre Samuel Du Pont de Nemours (1739-1817), questions the relationships between the emergence of a new kind of generic actor – the entrepreneur – in the Enlightenment, and that of new kinds of management tools used to design the future. The second case deals with the plans of the gunpowder manufactory that was set up by Du Pont's son Éleuthère Irénée (1771-1834) in Delaware in the early nineteenth century and from which was to stem the now famous DuPont company. The focus is here, at the crossroads between business history and the history of science, on the influence of the modern scientific methods of economics but also chemistry on business planning methods and efficiency. The two Du Pont studies thus demonstrate, among other things, that the history of new venture business plans goes further back in time than the contemporary period.

In spite of this, it was only in the second half of the twentieth century, and very progressively, with the institutionalization of a whole "world of entrepreneurship" mixing academics, State agencies, and investment companies, that a standard format of business plan was first stabilized – in the United States – and then disseminated around the world. This is what the third chapter shows by looking at business planning guidebooks and, more generally, the normative literature on new venture business plans that was published in America from the early twentieth century until today. In doing so, it notably highlights the role of management sciences, as well as that of the State, in the contemporary formatting of business plans, which may be described as a "crisis rationalization", made to improve

entrepreneurial mastery over the future in times of growing uncertainty.

The last two case studies, which combine archival material with interview, observation and statistical data, emphasize the proliferation of the standard format of business plans over the last thirty years. To do so, they focus not on the creation of so-called and oft-studied “innovative” firms, but on two types of new ventures that may be observed at opposite ends of the entrepreneurial spectrum: very small individual firms created by jobless people in France with the help of a public support programme from 1987 to 2007; and a huge industrial project, that of Renault’s setting up of a new plant in Brazil in the mid-nineties. The surprising similarity of business plan formats in these radically different ventures however allows for a great variety of uses of the plans.

This historical perspective is combined with an anthropological one. The study of various types and uses of business plans throughout history is indeed also used as a means to contribute to one major anthropological question – that of the role of plans in action – and a correlative sociological one – that of knowing what an entrepreneur does, and therefore is.

The main question is thus that of the “making of the future” (“*la fabrique de l’avenir*”), which is to be understood in two ways. The first issue is to explain how plans, as futures, are made by their authors, i.e. how entrepreneurs proceed to generate futures, be it on paper, verbally, or in their minds. In this respect, the dissertation for instance highlights the differences that exist between practices of “exploration of the future” through progressive derivation from the present, and practices of “colonisation of the future” through mere construction of final goals. A strong emphasis is therefore placed, in all the case studies, on the close description of the visual, narrative and/or calculative “chains of anticipation” through which plans are generated.

But the second issue is then to account for the possible performative role of these futures in the present, i.e. for what Tarde called “the action of future facts”. If one knows that plans are never actually realised, then aren’t plans just useless fictions? It is argued that plans are best described as *virtualities*, or specific fictions that, because they are meant to be actualised, can have certain effects on courses of action. It indeed seems, on the basis of the studied cases, that plans act on the social space as “inclined planes” do in the physical space: they *incline* actors

toward certain goals and thus *mobilize* them collectively. But, reciprocally, the mobilization of actors is often translated into the plans, where they inscribe the consequences of what they have started to do. Plans thus appear to be simulations that are incessantly revised and evolve along with courses of action, shaping them as much as they are shaped by them.

This has strong consequences on how the entrepreneur is defined. Rather than considering the entrepreneur as an individual, visionary and promethean character whose intimate ingenuity would be inaccessible, the thesis tries to outline the contours of “entrepreneurial work”, a work of exploration, which is indeed about visualizing business possibilities and making a new market entity emerge, but clearly not through solitary, unequipped and immediate intuition. The empirical study of the production and uses of business plans indeed shows how numerous the actors are that debate and coordinate around plans to shape them, from the people who carry the projects to venture-capitalists and consultants, bankers and accountants, lawyers and business school teachers, etc. The division of labour between these obviously varies through time and space, but the heroic individual is seldom met: he is nowadays, at the least, equipped with a written plan of some sort in his hands.

From consumer credit to credit consumption. Autonomization of an economic activity

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How can someone lend to perfect unknowns without having any evidence that they are not already overindebted (there is no credit bureau in France)? Without checking the level of their incomes? Yet, that is precisely what are doing consumer credit companies, promising hundreds or thousands euros to unknown clients after only some minutes of phone interviews.

While sociologists have shown that credit transactions lie on social and reliable ties between borrowers and lenders, my PhD dissertation focuses on the most impersonal credit transactions of all, between a consumer credit company

and its customer. In these transactions, there are no shared past, no trust, no reliable relation, but only the cold econometric model logic, the contractual commitment, the procedural criteria to allocate consumer credits. Is there anything left to the sociologist? I argue there is.

From the shopkeeper's credit book to the phone call to access to a revolving credit

How the shopkeeper's credit book has left the place to a call to a phone number picked up in a TV program magazine? To answer this question, I have related the history of the consumer credit as an economic activity from historical files of the leading French consumer company and interviews (n=42) of historical actors of the credit industry. I put the emphasis on the process of "autonomisation" of this activity as Bourdieu has pointed out about the economic field as a whole. How credit activity has become "credit as credit" as we say "l'art pour l'art" ? I show that the credit activity has been progressively dissociated from the selling activity, that credit has gradually been untied from the object it is supposed to buy and that profit is now created from credit transaction itself.

In this history, I show how different protagonists get close to create common economic interest or take advantage from one another to reach their own distinctive goal : bankers, capital goods producers and sellers, industrial capital goods unions, new born credit companies and the State which, according to the moment, encourages, restricts, overcontrols the activity. To put together this history made of alliances, power balances as well as business models, *scoring*, and technical credit features, allows me to explain the current actual consumer credit supply form, produced by this history.

How are credits sold?

How sellers in call centers or in financial services of super-markets, assisted by scoring softwares, accept or deny to "support clients in their projects"? To answer these questions, I've undertaken an ethnographic study of the selling work, based on two months fieldwork in credit companies. My dissertation highlights selling situation logics as well as

the specificities of these trade transactions where the would-be clients have to be "candidate" to the purchase (of credit). I show how the fleeting relations between a seller and a client still have an effect on the selling act despite the technical decision through the scoring software activation. Social closeness between sellers and clients, empathies or antipathies created are also part of the play, as well as the sellers' target settings and the social work division within a credit company.

Demands and supplies : how does the credit market work?

How do the demand and supply match between a set of credit companies, each of them more or less ready to accept risky households and these households ? Two methods provide data to answer the question : interviews of credit companies' top executives, and a statistical survey about household indebtedness practices and their costs.

Relying on the presentation of these executives' conceptions of their activity, of competition between them, their different types of clients, my research exposes an image of the market quite different from that of the adjustment between a demand and a supply in a free market. More likely, interviews gives evidence of a "sharing of clients between companies": the most established credit companies deals with the well-off clients, and offered them better conditions than the less established companies when they allocate credit to lower class households. This sharing of clients also appears in indebtedness statistics from national surveys. Indeed, there is a link between the type of credit, the socioeconomic level of the households, the type of lenders (banks vs credit companies), and the credit costs.

The dissertation explains how the individualization of the risk price is created at the market level, although it doesn't exist at the specific offer level: a company lend or not ; it doesn't adjust the rate of the credit it grants to the risk associated to the household to which it lends. To put it in other words, I show to what extent "the poors pay more" their indebtedness.

Key words : indebtedness, consumer credit, consumption, market, economic sociology

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