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# Perspectives of Economics of Convention on Markets, Organizations, and Law. An Introduction

*Rainer Diaz-Bone & Olivier Favereau* \*

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**Abstract:** »*Perspektiven der Economie des conventions auf Märkte, Organisationen und Recht. Eine Einleitung*«. The article introduces the French approach of economics of convention (in short EC), presents some of its core concepts – as quality conventions – and introduces some of its perspectives on markets, organizations, and law. EC is characterized as a pragmatist institutionalism, which has conceptions of human agency, rationality, market, organization, state, and institution that make EC distinct from other established institutional approaches. EC continues structuralist perspectives and shows a growing interest in the social theory of Michel Foucault, who worked on power, dispositive, and discourse. This article sketches also some newer developments of EC's research on markets, organizations, and law and offers an introductory frame for the other contributions of the HSR Special Issue. One focus of this special issue is to present contributions of members of the second and third generation of EC (as mostly formed at the University of Paris X – Nanterre) but also of an international group of scholars in the field, who apply EC to the analysis of markets, organizations and law.

**Keywords:** Economics of convention, économie des conventions, markets, organizations, law, quality convention, institutions, Michel Foucault.

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## 1. Introduction

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In the last decade *economics of convention* (in French “*économie des conventions*,” in short EC) has been established not only as a transdisciplinary, but also as an international socio-economic institutionalist approach. Starting in France in the early 1980s, EC has spread out in European social sciences as a perspective to study institutional structures and the pragmatics of coordination in different fields, such as economics, political sciences, law studies, historical analysis, sociology and statistics (Storper and Salais 1997; Favereau and Lazega 2002; Boltanski and Thévenot 2006; Eymard-Duvernay 2006a, 2006b; Batifoulier et al. 2016). Thereby, EC has centered on empirical situations, in

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which actors have to coordinate, evaluate, and interpret to achieve a common goal and a common understanding of what is going on. Actors therefore rely on conventions as logics of coordination and evaluation as well as on cognitive forms and dispositives (objects, instruments, etc.). Also actors rely on conventions to exercise critique and justification or to mobilize collective actions pursuing strategies and common goods (Boltanski and Chiapello 2005; Boltanski and Thévenot 2006). Contrary to many other institutionalist approaches, EC renews a pragmatist basis for empirical institutionalist analysis.<sup>1</sup> This way, EC can be conceived as part of the so-called new French social sciences (Nachi 2006; Corcuff 2011), which contributed to the resurgence of pragmatism in the social sciences as – together with structuralism – one of the two megaparadigms in social sciences.<sup>2</sup>

Contrary to discussions in the humanities, we will not distinguish between different forms of pragmatism and structuralism (as poststructuralism, neostructuralism, neopragmatism). The reason for this is simply that we regard these more subsequent terms as expressions of renovations and renewals instead of the emergence of new scientific movements. Structuralism and pragmatism have been continuously present in the social sciences in the last decades but in different constellations. In France, EC can therefore be considered as part of a critical counter-movement to a narrow conception of structuralism also (Dosse 1998a; Favereau 2001).<sup>3</sup> As a complex pragmatist institutionalism EC emphasizes the practical competences of actors in situations of coordination and evaluation. Also objects and cognitive forms – seen as equipment of situations – are included in EC's analyses of economic coordination.

In this introduction, we will sketch some of the foundational positions of EC as a frame relevant to the contributions included in this special issue, but also

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<sup>1</sup> In its beginning, EC referred not to the classical founders of pragmatism (Peirce, James, Dewey), but argued in a pragmatist way how conventions evolve and how actors rely on them, as Storper and Salais did in their characterization of actors, relying on conventions in pragmatic situations (Storper and Salais 1997, 10). Also David Lewis's post-analytical concept of convention, which is one of the two most important influences (see the contribution of Favereau 2019 "The economics of convention: From the practice of economics to the economics of practice", in this special issue), can be conceived as an articulation of a neo-pragmatist turn in US-American philosophy (Lewis 1969).

<sup>2</sup> For an overview of the development and differentiation of American pragmatism see Margolis (2002), Bacon (2012), Richardson (2014), and Misak (2015). For an overview of the development of structuralism and its differentiations see Dosse (1998b, 1998c). Notice Boltanski's (2011) discussion of the relations between pragmatism and structuralism as well as Boltanski and Esquerre's (2017, 2018) tentative synthesis of a "pragmatic structuralism." Indeed, the founders of EC were more acquainted in 1989 with pragmatics than with pragmatism. Nowadays, the difference has lost its importance.

<sup>3</sup> But one must be aware that the concepts of convention itself can also be conceived as a structuralist one and that there has always been a cooperation between conventionalists and structuralists as shown by the project of Favereau and Lazega (2002).

for EC in general.<sup>4</sup> First, some positions on EC's analysis of markets and organizations will be introduced (section 2), then we will sketch EC's perspective on law (section 3) and give an outline of the contributions, gathered in this HSR Special Issue (section 4). Finally, we consider new results and new challenges (section 5).

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## 2. Markets and Organizations

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Markets and organizations as “institutional arrangements” are of main interest in modern institutionalist economics, socio-economics but also in the social sciences in general. In economics, institutions and their design nowadays are recognized as explanatory elements, to describe why economies work or fail (Williamson 1985; Israel 1987; North 1990; Lin and Nugent 1995; Acemoğlu and Robinson 2012). For many social sciences, as sociology, this “institutional turn” in economics was no real news, because elsewhere, institutions were evident as structuring principles of social reality and therefore as basic concepts for any social science (see for example Durkheim 1982).

For EC the difference between institutions and conventions is therefore important. EC makes a first important contribution to institutional analysis with its argument that institutions are incomplete in meaning and therefore need to be embedded in situations, in which coordinating actors apply conventions as logic, how to interpret and handle institutions (Salais 1998; Bessy and Favereau 2003).<sup>5</sup> The consequence is not to conceive markets and organizations in only one institutional form and to recognize the necessary combinations of rules in markets and organizations with conventions as collective ways to condense learning and collective strategies to mobilize institutions. Such ordinary understandings of a “market” will be refused, because markets are complex and always different combinations of devices, rules, cognitive forms, and conventions. Also “organizations” are not seen as formal hierarchical structures, compensating the lack of control in markets (as argued in economists' versions of institutionalism, e.g., Williamson 1985). EC approaches markets and organizations from a pragmatist standpoint. One first consequence of EC's pragmatist

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<sup>4</sup> And we will be short on topics of EC's research to which other special issues of *Historical Social Research* were devoted. In recent years, a series of special issues of *Historical Social Research* were published, presenting contributions from EC, see on historical perspectives Diaz-Bone and Salais (2011, 2012), on law Diaz-Bone, Didry and Salais (2015), and on quantification Diaz-Bone and Didier (2016).

<sup>5</sup> Not to integrate the concept of conventions into the category of institutions also opens a conceptual space for the tension between institutions and conventions and the difference brings in an explanatory element for institutional analysis and the study of the dynamic interaction of institutions and conventions (see Salais 1998; Salais and Diaz-Bone 2011; Diaz-Bone 2012).

foundation is that EC assumes a plurality of co-existing logics of coordination, not only one. From EC's perspective empirical economies and institutions are patterned by different ways of coordination, which precede economic criteria as efficiency (Storper and Salais 1997). Another consequence is that EC does not see markets as institutional arrangements that are antithetic to organizations neither does EC conceive organizations as reducible to markets. Markets are organized and organizations cannot be reduced to mechanisms of competition (Favereau 1989a, 1989b). Also the frontiers of markets and organizations are not clear cut (Eymard-Duvernay 1994, 1997), but should be conceived as zones, in which different intermediaries transmit and transform chains of coordination. This way, intermediaries extend the scope of convention-based coordination, and connect different "markets" and "organizations."

Nevertheless, EC does not go as far as to blur the distinction between markets and organizations, which would be paradoxically the position of present day mainstream economics. Organizations are actually defined as a process of organizing. That seems like playing with words, but it is not. EC has borrowed from management research and organization theory the idea that the most important tool to grasp an organization, especially a business firm, is its process of collective learning, that is to say, how it solves problems, and how it transforms individual solutions into collective knowledge. And if we recall the introductory remarks on the philosophical foundations of EC (hermeneutics and pragmatism), it is remarkable that the most successful model of organizational learning, that of Argyris and Schön (1978), claims a pragmatist filiation. The hermeneutic filiation will appear later when the variety of business models is connected with the variety of quality conventions (in the work of François Eymard-Duvernay, and Salais and Storper).

Especially labor markets, their organization, procedures and intermediaries have been studied by EC, thereby focusing their differentiation and ways of recruiting (Eymard-Duvernay 2012; Eymard-Duvernay and Marchal 1997; Larquier 2016). Also EC has done comparative studies, comparing the labor market and labor market intermediaries in France and Great Britain (e.g., Bessy et al. 2001). Research was also done in the field of legal services, studying the organizational form of legal services (Favereau 2010; Bessy 2015).<sup>6</sup> Convention theory has been highly influential in agrarian studies, where agro food sectors and global quality chains have been analyzed on the basis of EC (Ponte 2016; Allaire and Daviron 2017). All these studies have empirically verified the pluralist nature of markets and organizations, which means that a constellation of different conventions is the fundamental structuring principle.

In relation to this result, EC argues that rationality is based on conventions (Bessis et al. 2006). As institutions are incomplete (in terms of meanings and

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<sup>6</sup> See also the contributions in [Diaz-Bone, Didry and Salais \(2015\)](#).

significance in situations), rationalities are not a complete human equipment. Evaluations, decisions, and calculations need to be based on cognitive forms, objects, and conventions. Markets and organizations therefore are social spheres (and not only institutional arrangements), which mobilize and comprise a plurality of rationalities also.

Important from a conventionalist standpoint is the contribution to emphasize the social construction of qualities in these studies, i.e., qualities of services, labor, or food. The concept of conventions is used in EC to demonstrate how actors in situations ascribe “qualities” to objects, persons, and processes. In French, “*qualifier*” means to identify, to recognize worth and value but also to bring a quality into existence (Boltanski and Thévenot 2006). A core concern of EC is this kind of reconstructing the mobilization of “qualities,” i.e., the mobilization of socially experienced ontologies (actions *as* services, objects *as* goods, human beings *as* employees, etc.). Again, from EC’s perspective, actions (services), objects (goods), persons (employees, employers, etc.) represent a plurality of possible qualities, because in any market and in any organization different (convention-based) ontologies are coexisting and the ontologies of these entities can change.

Quality conventions are one of the most successful exports of EC. But that could be a source of misconception, by suggesting that quality is an artificial or superficial construct. One of the most convenient classifications of quality conventions (that of François Eymard-Duvernay 1989) derives from the classification of “cities” by Boltanski and Thévenot (2006) that comes from a grammar of justification. That reminds us that a judgment of quality belongs to the class of normative judgments. Therefore, we are far from the classical (and Marxian) theory of use-values, as well as from the present mainstream economic models of quality. For EC, quality is something out of reach of the *homo economicus* and his exclusively computational rationality. Also, different quality conventions may coexist in real situations. Actors are competent to assess the adequacy of conventions and they are able to cope with the plurality of conventions, with their tensions and compromises.

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### 3. Law

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Law – as money and language (discourse) – is considered as an elementary and foundational institution for any modern economy (Bessy and Favereau 2003; [Diaz-Bone et al. 2015](#)). Besides the analysis of the organizational forms of law, EC studies the plural ways of law production and the strategies actors applied in situations in which law was regarded as inadequate, outdated, because of social and economic changes. Claude Didry analyzed how labor, before the First World War, in the Parisian region, was criticized by the arising new group of industrial employees and how new forms of labor law were invented, more

adequate to the new industrial labor organization (Didry 2002). Robert Salais, Nicolas Baverez and Bénédicte Reynaud (1999) worked on the co-construction of the new (statistical) category of unemployment, of emerging industrial labor organization and of juridical categories and new law forms (Salais et al. 1999).

For EC, it is important to conceive institutions not only as different to conventions, but also not to conceive them as given external constraints to actors in situations of economic coordination. Instead, EC conceives the reality of institutions as enacted by actors in situations, i.e., EC conceives institutions as internal to actions and not as external to actions. Only institutions that are related to conventions and enacted by competent actors in situations have a social reality and have an impact as dispositives for coordination (Bessy 2002, 2011). Law, therefore, cannot be reduced to an external and given constraint to actors. The reality of law depends on the way actors interpret law and its reality. This leads directly to EC's perspectives on the state as the final guarantor of law and its enforcement.

Laurent Thévenot (1992) has argued that the juridical dimension is a possibility for opening and settling disputes by mobilizing courts. Michael Storper and Robert Salais (1997) invented the notion of "state conventions," which are interpretive frames for actors in situations to conceive the different modes, according to which the state as legal actor will intervene into economic coordination. They distinguish the "external state," the "absent state," and the "situated state."

In some societies, each person expects the State to intervene in the economy from a position outside and above the situation of action – this is the convention of the "external state" which is particularly strong in France. In other societies, each person expects the State to be absent from situations of economic action, and for individuals to work out coordination among themselves – this convention of the "absent state" is particularly marked in the United States. A third possibility is that the persons involved in economic action (including representatives of the State) operate on the premise that the State participates in economic coordination but as an equal, neither superior nor absent. We call this the convention of the 'situated state' [...]. (Storper and Salais 1997, 207)

The consequence is for EC that it is an open question, when and how law will be applied by actors involved in economic coordination. A paradigmatic example is given by corporate law in the work of Olivier Favereau (2014a, 2014b), with his colleagues at *Collège des Bernardins*. Corporate law for instance does not stipulate that shareholders own the corporation (US term) or the company (UK term), because it would confuse ownership of a share (which gives some controlling powers) and ownership of a person (the legal person of the corporation or the company) by other persons – which violates a principle even more fundamental in our modern western civilization than the property right. Nevertheless, during the 1970s and the 1980s a convention emerged, according to which, since the shareholders are the owners of the firm, the management should privilege the shareholders' value. That was taught in all the business

schools over the world, and it legitimates, at a conceptual level, what is now known as the financialization of the economy. It produced huge real effects and finally the subprime crisis of 2007/2008, which is not yet behind us. Now the source of this “great deformation” of enterprises is a pure change of interpretation of an unchanged corporate law.

So, the content of law is dependent of its interpretation. But that does not mean either a complete relativism of rules of law. In the case of shareholder value, recalling that corporate law denies ownership of firm by its shareholders is nowadays a powerful critical argument of the logic of financialization. Moreover, a majority of European countries have pragmatically tried to escape the impossibility of devising a legal person including *all* the human beings who empirically engage in an enterprise – by at least allowing board-level employee representation (what is technically called “codetermination”). The strong reluctance of employers’ associations to generalize codetermination proves that rules of law represent a real constraint *prima facie*. But the political experience of the countries with codetermination is somehow disappointing, in so far as the dominant cultural atmosphere remains dominated by the Anglo-American shareholder value – a kind of interpretive macro-convention.

So laws need conventions, which need laws. It is the interplay between both that should be the natural field of EC.

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#### 4. Contributions in this HSR Special Issue

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This special issue of *Historical Social Research* focuses on recent conventionalist contributions to the analysis of institutions, presenting also new conceptual developments of EC. It differs from preceding ones devoted to EC in an important aspect, because it presents contributions from scholars who are part of the “Nanterre group” of EC (see Diaz-Bone 2018).<sup>7</sup> The University of Paris-Nanterre (Paris X) has been an important institution from 1988 until 2016. Olivier Favereau and François Eymard-Duvernay,<sup>8</sup> who belonged to the found-

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<sup>7</sup> This group can be delimited by pointing to Olivier Favereau, François Eymard-Duvernay and the students who were trained and influenced by them and started their own academic career. The editors of the dictionary – Philippe Batifoulier, Guillemette de Larquier, Franck Bessis, Delphine Remillon, and Ariane Ghirardello (Batifoulier et al. 2016) – may be highly visible representatives of the second and third generation. All of them are contributors to this special issue. Of course, there are many more scholars in the field of EC, who studied and graduated at the University of Paris X – Nanterre and have been trained and influenced by Favereau and Eymard-Duvernay (as Emmanuelle Marchal, Géraldine Rieucou or Christian Bessy).

<sup>8</sup> Olivier Favereau became professor of economics at the University of Paris – Nanterre in 1988 and retired in 2016. François Eymard-Duvernay died in 2016. See for the contribution of Eymard-Duvernay to EC’s establishment and impact at Nanterre Favereau (2017) and Di-



ers of this scientific movement, trained and gathered many students and later researchers at this institution.<sup>9</sup> It was Eymard-Duvernay who edited a two volume collection of conventionalist contributions (Eymard-Duvernay 2006a, 2006b).<sup>10</sup> More recently, a group of representatives of the second and third generation of conventionalists from the Nanterre tradition presented a conventionalist dictionary, covering the huge range of conventionalist concepts and research topics (Batifoulier et al. 2016). But still, this part of EC is not too well known outside of France, which is one of the reasons why this special issue gathers contributions of conventionalists from this tradition.

The story of the emergence of EC among a group of French economists at the end of the 1980s is told in an analytic way by *Olivier Favereau* (Paris). It started from a criticism of mainstream economic theory through a re-reading of Keynes's theory of financial markets, and of the theory of conventions (in order to understand language) by the philosopher David Lewis. It is shown that conventions put to the fore (social) practices, initiating a new practice of economics, which should integrate the concept of dispositive (Foucault).

As EC has shown, labor markets are not simply neoclassical markets. *Guillemette de Larquier* (Lille) and *Géraldine Rieucan* (Paris) empirically examine the recruiting channels and the forms of the French labor markets. Investment in "forms" is necessary for market actors to cope with and reduce uncertainty in (labor) markets. The analysis of relevant forms and recruiting channels is used to explain labor market dynamics.

The contributions from *Julia Brandl* (Innsbruck), *Arjan Kozica* (Reutlingen), *Katharina Pernkopf* (Vienna), and *Anna Schneider* (Innsbruck) work on the consequences of convention theory for human resource management, thereby relying on pragmatism and on the foundational works of the Nanterre group.

An example for a combination of EC and methodological strategies of discourse analysis is given by the contribution of *Delphine Remillon* (Paris). Focusing on career paths and cognitive orders in labor markets for valorizing (and devalorizing) labor, Remillon examines the turning points of career paths of long-term unemployed. She empirically identifies different segments of the

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az-Bone (2018). See Batifoulier et al. (2016) and Diaz-Bone (2018) for a presentation of EC at Nanterre from 1988 on. In the last years some interviews with scholars from this tradition were published, see Favereau (2012), Eymard-Duvernay and Marchal (2014), and the interview with Guillemette de Larquier at <<https://conventions.hypotheses.org/category/interviews>>.

<sup>9</sup> The founders of EC (François Eymard-Duvernay, Olivier Favereau, André Orléan, Robert Salais, Laurent Thévenot) contributed to the special issue of the journal in economics *Revue économique* 40(1) "Economie des conventions," which was released in 1989 and used this label for the first time, although the first publications were published in the early 1980s (Diaz-Bone 2018).

<sup>10</sup> This editorship continued the series of publications of collections, which is a prevailing format in EC. See also the collections of Salais and Thévenot (1986) or Orléan (1994).

(French) labor market, which can be related to a plurality of conventions for the social construction of labor value.

At Nanterre, the notion of “bad convention” was introduced by Batifoulrier and Larquier. *Ariane Ghirardello* (Paris) presents this conception and criticizes the neoclassical explanation of discrimination. Instead, she can show how bad conventions force actors to continue discriminatory practices. Moreover, Ghirardello’s contribution illustrates the varieties of conventions EC has generated.

One of the developments of convention theory was worked out by *Christian Bessy* (Paris) and *Francis Chateauraynaud* (Paris). They introduced the perspective of the strategic use of conventions and the role of convention in processes of falsification and authentication. Their starting point is the uncertainty about quality in the context of a plurality of conventions, involving experts and law, all involved in quality definitions.

The analysis of markets, market structures, market dynamics, and market processes of valuation is a core business of EC. *Luka Jakelja* (Graz) and *Florian Brugger* (Graz) study the structure and dynamics of the wine market in the south of Austria (in the region of Styria). They flesh out how the valuation mechanisms in this wine market changed and how a crisis rearranged the quality conventions in the Styrian wine market.

*Franck Bessis* (Lyon) and *Camille Chaserant* (Paris) continue the work on the organization forms of legal services (Favereau 2010; Bessy 2015) and identify different conventions as logics of organization of distinct ways and distinct valuations of legal services. Their starting point is the European liberalization of legal services the induced problems of deregulation. Bessis and Chaserant can show that deregulation does not result in unification of forms and (logics of) quality of legal services, because competition is mainly based on different logics of qualities and not on price.

In a historical perspective, *Claude Didry* (Paris) focuses on the relation between newly introduced labor law on one side and the ways commodities are (defined and) exchanged and production is organized on the other side. His main contribution is to bring to the fore the new conception of labor, which was introduced by new labor laws. So, it is not law describing or regulating labor alone, instead labor law should also be conceived as a blueprint for social reality.

*Lisa Knoll* (Hamburg) contributes an article on the sustainability of markets and on state forms of regulation. She studies different mechanisms, which were designed to reconcile market mechanism with environmental and social politics. Relying on the notion of state conventions from Storper and Salais (1997), the author argues that welfare markets and their different forms need to be understood from the perspective of intervening states.

*Philippe Batifoulrier* (Paris), *Nicolas Da Silva* (Paris), and *Victor Duchesne* (Paris) present a historical analysis of the French welfare system. In their anal-

ysis of parliamentary documents they reconstruct three different conventions, an anti-capitalist convention, a solidaristic convention, and a liberal convention, which were patterning the political economy of the French social security system. The authors track the dynamics of the socio-political conflicts, which are based on relying in different ways on these three different conventions.

The phenomenon of financialization is approached from a conventionalist perspective by *Michael Faust* (Göttingen) and *Jürgen Kädtler* (Göttingen), arguing that financialization is not an all-pervasive mechanism and reminding socio-economic research to include other influential economic principles.

To enhance EC's concepts and also to improve its research perspectives is the aim of the contribution of *Rainer Diaz-Bone* (Lucerne). His claim is that the theoretical body of Michel Foucault should be more systematically considered also as possible conceptual elements for EC's research. The article scrutinizes not only similarities between EC and Foucault's work, but also how Foucault's work could complement and ameliorate conventionalists' research.

All in all, the contributions in this special issue characterize EC as not reducible to only one notion, to one issue, or to one institutional logic alone. Markets, organizations, and law cannot be explained (or optimized) by referring them to one principle (i.e., only one concept or rationality). The empirical reality of economic coordination is dominated instead of a pluralism of structures.

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## 5. New Results and New Challenges

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This special issue is not only a synthesis or a survey of previous or ongoing specific French, German, and Austrian researches in EC. By their sequential reading and the confrontation of their content, we think, as editors, that they collectively bring to the fore new results – but also new challenges – for EC. It will be convenient to differentiate between results and challenges on the two questions of plurality and reflexivity, although they are not independent: plurality is a powerful incentive to reflexivity and reflexivity may be a supplementary source of plurality.

One pillar of EC is the plurality of modes of coordination, whatever meaning we give to this phrase “mode of coordination”: recruitment channels (de Larquier and Rieucan), quality conventions for lawyers (Bessis and Chaserant) or wines (Jakelja and Brugger), ideological foundations for Social Security Systems (Batifoulie, Da Silva and Duchesne), state conventions and their translation into types of sustainable markets (Knoll), types of corporate governance (Faust and Kädtler), regimes of authenticity (Bessy and Chateauraynaud), guiding principles of labor law (Didry), compromises versus local arrangements plus market versus bureaucracy (Brandl et al.), registers of valuation (Remillon) – nearly all the papers in this special issue refer to this

plurality and clearly EC is, to say the least, an economics of variety. This property gives EC a huge comparative advantage, among all research programs in social science, obviously as a descriptive language, secondly as a theoretical language. It allows much more complexity in the behavior of the agents (individually and collectively) and in the characterization of the typical situations. The standard views of markets (either labor markets or goods markets) and organizations (either business firms or occupations) become ridiculously schematic with respect to what EC can tell about each entity. But economics of variety has its own dangers, and it is interesting to see how the different papers of that issue improve the way of dealing with those risks.

The first challenge is the vocabulary used to cover such a variety of modes of coordination. Convention remains the main key, but it covers objects of very different levels, from highly micro to highly macro with many intermediate positions. It is not a problem as soon as it is well specified in the analysis. Anyway, the capacity to switch from one level to another is one of the most fundamental competencies EC – because of its pragmatist roots – acknowledges for human agents. Nevertheless, EC had to distinguish neatly between proximate concepts, like rules and institutions. The authors of this issue innovate by articulating more closely conventions, rules and institutions through a systematic recourse to the notion of practice. It is highly significant that ‘practice’ plays the same important role in a theoretical paper (Favereau) and in an applied one (Brandl et al.). Another innovation of that issue is to deepen the link between conventions and dispositives (including objects and discourses) by bringing together EC’s and Foucault’s methodology (Diaz-Bone, Favereau). To be more explicit on this new and rather unexpected link, we will have to wait for the second theme: reflexivity.

A second challenge is the tension between two epistemologically different kinds of plurality (of modes of coordination): the diachronic one (intertemporal variety) and the synchronic one (spatial variety). In a nutshell, it seems that the more you stress one, the less you get the other. It is closely linked with the opposition between micro and macro – an opposition that looks especially clear-cut in economics, but that is probably a problem also in the other social sciences (although less formalized). The variety of modes of coordination within the same time period are well exemplified by Larquier and Rieucan, as well as Bessis and Chaserant, thanks to the plurality of quality conventions, along Eymard-Duvernay’s lines. The intertemporal variety is neatly illustrated by Didry, whose object is the macro-evolution of labor law, and by Jakelja and Brugger, who study a change of quality conventions within the same local activity. It is more complex in the paper of Batifoulier, Da Silva and Duchesne, because there is a persistent competition between different conventions, but according to their analysis, one is dominant within each period. More complex, too, in the paper by Knoll, for another reason: the present variety of sustainable markets refer to the variety of State Conventions, although those are supposed

to be mutually exclusive, at least in their entirety. But the most striking view of the tension is offered by the paper of Faust and Kädtler. They give strong evidence of a variety of modes of corporate governance in the last decades, which they use against the view of a dominant macro-regime of financialization, since the 1980s.<sup>11</sup> It is undisputable that (for example) a diversity of micro-economic models of business firms make the work of the macro-economist more difficult, not to say more impossible – since the macro-data aggregate micro-data obeying different laws of behavior.

There is no easy exit from what seems a sad dead end, if conventionalist researchers have to buy their rich analysis of the diversity of practices and conventions at the price of not being able to say anything rigorous about society or economy as a whole. EC is the economics of variety – is it condemned to be the social science of typologies? Once more, EC could find an ally in the method of Foucault. After all, he simultaneously starts from practices, sometimes fine-grained, but that does not prevent him from thinking at a much higher degree of generality – for instance with his “governmentality,” of which he clearly elaborates different regimes. The condition of validity is then not to use the same categories, although they remain anchored in the practices. This condition allows us to throw a bridge towards the latest contribution to EC of Boltanski and Esquerre (2017, 495-501; 2018, 630-638), when they conclude their analysis of value and markets by promoting the idea of a “pragmatic structuralism.” One way of reconciling “experience” and “structure” is to exploit this specific competence of human agents: creating a “*grand récit*,” mixing “experience” under the form of microdata and “reflexivity” under the form of theoretical schemes (Boltanski and Esquerre 2017, 500; 2018, 636).

Reflexivity is the second theme for which this issue of HSR brings new results through the interaction of the different papers – especially the papers on authentication in law and markets by Bessy and Chateauraynaud, on discrimination by Ghirardello, on the fraud on wine quality by Jakelja and Brugger, and our joint reflection (Diaz-Bone, Favereau) on Foucault’s dispositives.

Reflexivity should be considered as the second pillar of EC, although it is probably less obvious than for plurality, the first pillar. Convention seems intimately connected with imitation. Nevertheless, if convention starts with imitation, EC does not stop there. And it is fortunate, in the perspective of a “pragmatic structuralism,” because without reflexivity, with conventions built upon imitation, we would have structuralism without pragmatism. Moreover, even in a world of generalized imitation, human mind needs reflexive competencies to detect new conventions – to understand what is to be imitated, and how.

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<sup>11</sup> See in more detail Favereau (2016).

Reflexivity is a more comprehensive concept than rationality. It denotes the capacity to look at the world from the outside, for instance to disprove some consciousness of the existence of a convention. Of course, if reflexivity was infinite, there would be no room left for the functionality of conventions, which is to economize attention. Inversely, if reflexivity is zero, imitation is maximum, and we would be back in a non-human world. So we expect reflexivity moving between these two extreme values, and the papers just mentioned are together quite innovative by suggesting that the distribution of reflexivity among the members of a collective, whatever its size, should be regarded as an essential piece of a truly pragmatic structuralism.<sup>12</sup> The fact that people follow a convention usually without thinking a lot about it opens a space for individuals or groups who are quite conscious of that fact, to exploit this conformity in the sense of their interests. Let us be explicit: the opposition between a strategic approach to conventions (within the theory of games) and the interpretive approach is a founding stone of EC (see Batifoulier 2001). The *nature* of conventions according to EC is not strategic – but that does not mean that there cannot be a strategic *use* of the interpretive *nature* of conventions.

It is on this point that this issue is innovative. Bessy and Chateauraynaud thus show how counterfeiters (“*faussaires*”) cleverly play with the quality conventions followed by the majority of people to deceive them. Jakelja and Brugger give a good example of fraud, which is an even simpler (and trite) way of playing the same game. Less easy to grasp is the attitude toward discrimination studied by Ghirardello, referring to the celebrated beauty contest in Keynes (1936, chapter 12 – indeed one birth-place of EC). People do not select their preferred face, but the one whom they think will be preferred by the majority. So in this case, people do not prefer whom they prefer ... because it is their interest to do so. That banal split of personality is often a big support for “bad conventions.” Educated families living near a school with heterogeneous populations could simultaneously put their children in a private socially homogeneous school, and admit that discrimination – a bad convention, which they may honestly deplore – will be reinforced by their attitude.

Diaz-Bone and Favereau in their papers make the same observation: EC could find some inspiration in the work of Foucault. It is a fact that EC and Foucault used quite independently but intensely the notion of dispositive. For EC, the project was to integrate objects into coordination; for Foucault, it was rather to integrate power into coordination. Even if the project of EC was at a micro-level, whereas for Foucault, it was at a macro-level, the turn of EC toward the study of coordination, within a capitalist regime,<sup>13</sup> is a powerful incentive to benefit from the deep insights of Foucault. If we look carefully at the complex definition of dispositive by Foucault, what appears is the strategic use

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<sup>12</sup> See Boltanski and Esquerre (2017, 497; 2018, 633).

<sup>13</sup> Manifest since Boltanski and Chiapello (2005) but present since the beginning (Salais 1989).

by a group of people of the regular practices of the majority in order to get some results, favoring the interests of that group – but not by directly constraining those practices, rather by inducing changes in the conventions people follow “spontaneously,” in some determined institutional, legal, and cognitive context. The reader will wonder what the mechanisms that could induce these changes are. The task looks self-contradictory: how can we modify “spontaneous” behaviors? In his last work, François Eymard-Duvernay gives a first hint: change the definition of what is (more) valuable and what is less valuable. And a second one: call that capacity of change “power of valorization.” The strongest form of power is not to give orders; it is to give orders of worth.

Because we are sensible to the power of ideas, and because we are so grateful for his deep contributions to EC, from the first day to the last one, we dedicate this issue of HSR to the memory of François Eymard-Duvernay.

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